

FINANCIAL TIMES

No.30,612

Wednesday August 10 1988

D 8523 A

TWO KOREAS

Scaling down the ideological war

Page 2

Table with exchange rates for various countries including Australia, Canada, France, Germany, Italy, Japan, etc.

World News Business Summary

Burma troops shoot 36 in bid to quell Rangoon riot

The Burmese Government struggled to regain control of the streets of Rangoon as troops, under orders to shoot to kill, fired into crowds of thousands of demonstrators calling for the overthrow of President Sein Lwin.

Iraq may buy \$900m-worth of cars from Brazil

AUTOLINA, holding company for Ford and Volkswagen's Brazilian operations, is negotiating a contract to supply Iraq with 100,000 VW cars and spare parts for its existing fleet in a deal which could be worth \$900m and possibly up to \$1bn.

Sudan flood crisis

Aid agencies around the world began co-ordinating efforts to provide assistance to Sudan where floods have left 1.5m people homeless and paralyzed the capital, Khartoum.

Canadian Pacific

CANADIAN PACIFIC, Canada's largest company, which has undergone a comprehensive restructuring over the past three years, achieved a 51 per cent increase in second quarter profits from C\$162.5m to C\$246.4m (US\$192m) following a sharp improvement in earnings from forest products, property and hotels and transport.

Convoy ambushed

A contingent of 10,000 Soviet troops which left Kabul last week was ambushed by 5,000 Mujahideen. Heavy fighting continued in Afghanistan's Paghman province south of the capital.

Israel raids bases

Israel launched its heaviest air raid this year on Palestinian bases in Lebanon to silence a radio station broadcasting to the occupied territories. At least three people were killed.

Mobs in Belfast

Northern Ireland police used plastic bullets and live ammunition in clashes with Irish nationalists on the 17th anniversary of internment without trial in Northern Ireland. Police arrested 42. Page 3

Yazov accepts

Soviet Defence Minister Dmitry Yazov accepted an invitation from US Defence Secretary Frank Carlucci to visit the United States, the Pentagon said.

Debt talks

A delegation from Argentina, backed by \$50m and \$90m in arrears on interest payments to foreign banks, met bank creditors in New York to discuss bank finance. Page 4

S Africa gunfight

A South African policeman and a suspected member of the African National Congress were killed in a gunfight near the border between Transvaal province and Botswana.

Kurdish accuse Iraq

Kurdish leader Massoud Barzani said heavy fighting was raging in northeastern Iraq between his guerrillas and Iraqi Government troops using chemical weapons.

Comosat dies

Anatoly Levchenko, Soviet cosmonaut who took part in a mission to the Mir space station last December, has died "of a grave illness" Tass said. He was 47.

Typhoon hits China

A typhoon hit the east China province of Zhejiang, killing 32 people and injuring 468, with 71 missing.

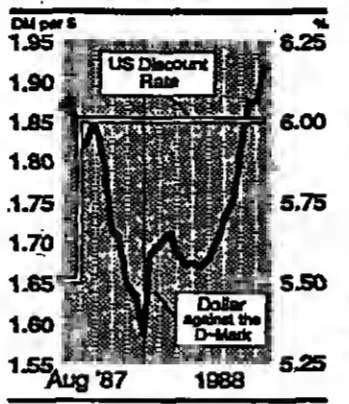
Texas Paris

French oil group Elf Aquitaine began drilling a 2,000m exploratory well in the Paris suburb of Ivry-sur-Seine, the first such well on a permit Elf shares with BP and Total which could lead to a search for oil within the capital city.

Fed raises discount rate to dampen inflation pressures

By Lionel Barber in Washington and Janet Bush in New York

THE FEDERAL Reserve yesterday raised its key discount rate to 6.5 per cent from 6.0 per cent with immediate effect. The rise - the first since last September - is expected to lead to increases in US mortgage and other interest rates and may signal a setback to Vice-President George Bush's already struggling presidential campaign.



Sigh of relief on Wall St

THE US Federal Reserve Board yesterday delivered its Declaration of Independence to work financial markets and its partners in the Group of Seven leading industrial nations, wrote Janet Bush and Lionel Barber.

UK spurns Kuwaiti pledge not to increase BP stake

By Max Wilkinson in London

THE KUWAITI Government yesterday announced that it had signed a legally binding undertaking not to increase its 21.7 per cent stake in British Petroleum and to refrain from trying to influence the company's policies for its own ends.

Iranian troops told to cease hostilities

By Tony Walker

IRANIAN troops in the Gulf have been told to end hostilities after Monday night's agreement at the UN that a formal ceasefire will begin on August 20.

Inter-Korean talks proposed

By Maggie Ford in Seoul

COMMUNIST North Korea yesterday proposed the first inter-Korean talks since the North cut off dialogue with Seoul early in 1988 as a protest against annual US-South Korean military exercises.

Arafat to propose government-in-exile

By Tony Walker in London

MR YASSIR ARAFAT, chairman of the Palestine Liberation Organisation, has told reporters in Kuwait that proposals to form a government-in-exile will be submitted to a meeting of the Palestine National Council, the Palestinian parliament-in-exile, to be held within a month, probably in Baghdad.

BRITISH MOTORCYCLE GRAND PRIX 1988

Advertisement for BBA Group PLC featuring motorcycle racing. Includes winning team (Wayne Rainey, BBA Group), winning rider (Wayne Rainey), and winning technology (carbon/carbon disc brakes). Also lists BBA Group PLC products and contact information.

MARKETS section containing various financial indices and stock prices, including Standard & Poor's 500, Dow Jones, and various international indices.

CONTENTS section listing various articles and their page numbers, such as 'Trade deal with the US is at the mercy of Canadian voters' and 'Belgian brewers Heavenly brew generates a worldwide devil of a thirst'.

EUROPEAN NEWS

W German companies 'well placed' for 1992

By David Goodhart in Bonn

WEST GERMAN companies must improve their efforts to prepare for the single European Community market in 1992, according to a report by the Economics Ministry in Bonn. Despite this exhortation the report paints a broadly optimistic picture of the prospects for most sectors.

WEST GERMAN companies must improve their efforts to prepare for the single European Community market in 1992, according to a report by the Economics Ministry in Bonn. Despite this exhortation the report paints a broadly optimistic picture of the prospects for most sectors.

Springer has print talks in Hungary

By Leslie Collitt in Berlin

WEST GERMANY'S Axel Springer publishing empire, long a favourite right-wing whipping boy of the East European media, is negotiating with Hungary to set up a publishing plant in Budapest.

Yazov stresses need for arms slow-down

By John Lloyd in Moscow

SUCCESS in reforming the Soviet Union's economy and society is linked integrally with scaling down the arms race, General Dimitry Yazov, the Soviet Defence Minister, said yesterday.

arms or armed forces." Mr Younger, in his interview with Trud's London correspondent, said he did not believe in greater security in Western Europe without nuclear weapons.

Cyprus peace talks switched to Geneva

By Andreas Hadjipapas in Nicosia

TALKS BETWEEN Greek and Turkish-Cypriot leaders, which had been scheduled to take place in New York on August 24, will now be held in Geneva on the same date.

Hammadi admits role in hijack

By Haig Simonian in Frankfurt

THE TRIAL of Mr Mohamed Ali Hammadi, the Lebanese citizen accused of hijacking a TWA aircraft in June 1985 and murdering a passenger, took a dramatic turn yesterday with Mr Hammadi's admission that he took part in the hijacking.

Romania ploughs heritage under

By Judy Dempsey in Vienna

THE SZEKLER, an ancient Magyar people once entrusted with the creation of giant agrarian complexes.

Cyprus peace talks switched to Geneva

By Andreas Hadjipapas in Nicosia

TALKS BETWEEN Greek and Turkish-Cypriot leaders, which had been scheduled to take place in New York on August 24, will now be held in Geneva on the same date.

E Germany stung by anti-Semitism claim

By Leslie Collitt

STUNG BY accusations of rising anti-Semitism, the East German authorities have unleashed a barrage of media reports on the Nazi persecution of Jews and on the activities of East Germany's Jewish community, officially little over 300 strong.

through a recent interview with a West German magazine in which he said anti-Semitism was now more virulent in East Germany than in the past 40 years.

Deutschland, reported for the second time this week that the Free German Youth organisation was sponsoring the restoration of a Jewish cemetery in East Berlin.

Legal Notices

THE HIGH COURT IN THE MATTER OF WATERFORD GLASS GROUP plc

Heavenly Belgian brew generates a devil of a thirst

By Tim Dickson in Brussels

SHE MAY, she may not be a Chinmay, but the T-shirts sporting this macho message help promote one of Belgium's best known beers in the unlikely setting of Austin, Texas.

cheese operations. His frustration is shared by Fr Theodore, a bright-eyed 75-year-old monk in charge of the production side who displays



Belgium

ing armies) on no less than seven occasions. The original style debuted in the original style after the last terrible fire in 1935, it stands magnificently today as an eloquent symbol of the invasions and unhappy occupations which dominate Belgium's past.

and built for one of the more colourful residents. As the Princess herself lovingly relates below a portrait of the lady in question, Madame Tallien (Duchesse Jeanne Marie Ignace Theresie Cabarrus in 1773), she is the daughter of a Spanish banker who after one marriage and divorce found herself a prisoner in Bordeaux in the inauspicious year of 1793.

There Jean Tallien, who was in charge of the Terror, met and fell in love with her. She, having helped him in his Thermidor coup against Robespierre, gained the name of 'Notre-Dame de Thermidor' and became a leading figure in the revolutionary salons. In 1802, Tallien divorced her and she later married the Prince of Chimay.

NOTICE IS HEREBY GIVEN that in a partition proceeding by F. J. C. Lilly plc having its registered office at 251 Charles Street, Glasgow G2 2JH for consideration of resolution of the shareholders of the said company, the Court has appointed the said F. J. C. Lilly plc as liquidator of the said company.

OVERSEAS NEWS

Indian machine makers benefit from protection

By K.K. Sharma in New Delhi

PRESSURE on the Indian Government from the domestic capital goods industry for protection from overseas competition appears to have had an immediate impact since it was announced yesterday that machinery and equipment imports fell by Rs8.33bn (US\$1.5bn) in 1987-88 compared with the previous year.

and met with immediate resistance from the domestic capital goods industry which has long been sheltered by import controls and heavy customs duties. Although the liberalisation policy has not been formally reversed, the Government has obviously heeded complaints by machinery manufacturers.

The two Koreas scale down the ideological war

By K.K. Sharma in New Delhi

IN FEW countries would the behaviour of young lovers be regarded as a political indicator. But television viewers in South Korea were shocked to learn last month that, in the Communist North, couples along the riverbank in Pyongyang take boat rides and wear normal clothes. What's more, young men can be seen in the streets who are clearly suffering from the effects of alcohol.

feeling has been spurred by the Government's strong push for increasing trade with China and the Eastern bloc. The two Koreas managed three years ago to make some headway in Red Cross negotiations, and a number of families were briefly reunited in the two capitals. But the arrangement broke down and the policy of no contact resumed.

Maggie Ford reports from Seoul on hopes for harmony as the Olympic Games loom

By Maggie Ford in Seoul

THE decision to allow a more objective approach to the North in the media is only one of the initiatives being followed in the South which could lead to a more positive relationship between the two parts of the peninsula. While time is short, analysts do not rule out the possibility that an agreement could even be reached over the Olympic games to be held in Seoul at the end of the month.

observers believe, however, that the recent improvement in the international mood could benefit the two Koreas, as the battle over ideology begins to wind down. A thaw in relations between China and the Soviet Union, combined with a possible re-evaluation by the US of its strategy following its detente with Moscow, could provide opportunities for a relaxation of the present hostility, a remnant of the cold war.

European Diary

By Maggie Ford in Seoul

As the Princess herself lovingly relates below a portrait of the lady in question, Madame Tallien (Duchesse Jeanne Marie Ignace Theresie Cabarrus in 1773), she is the daughter of a Spanish banker who after one marriage and divorce found herself a prisoner in Bordeaux in the inauspicious year of 1793.

Whether or not a breakthrough is achieved this month, diplomats believe that after the Olympics the South may feel sufficiently confident to show the goodwill it has previously withheld and respond to a northern proposal, enabling some kind of dialogue to begin.

FINANCIAL TIMES Published by the Financial Times (Group) Ltd., Franklin's Court, London EC4A 3DF. Registered in England. No. 251, Charles Street, Glasgow G2 2JH. Telephone: 0181 554100. Telex: 9200. Fax: 0181 554111. Second-class postage paid at New York, NY and at additional mailing offices. POSTMASTER: Send address changes to FINANCIAL TIMES, 14 East 60th Street, New York, NY 10022.

JPK 6/1/88

OVERSEAS NEWS

OECD urges Australian states to curb spending

By George Graham in Paris

AUSTRALIA must not slacken its efforts to readjust its economy, the Organisation for Economic Co-operation and Development (OECD) has urged in its latest survey of the country's economic prospects.

The Paris-based organisation says Australia has greatly improved its economic situation over the last two years. Central government spending has been cut, wages have been restrained and the country's external competitiveness has increased.

These efforts now need to be consolidated, however, and individual state governments must follow the central government's example of spending restraint and deregulation.

Australia's current account deficit has been substantially reduced from a peak of 2.2 per cent of gross domestic product (GDP) in the first half of 1986 to below 4 per cent in early 1988, but this is still unsustainably large, the OECD says, and has been reduced even to this level partly by temporary factors.

The major depreciation of the Australian dollar sharply increased the country's market shares in manufactured goods - though these were boosted by new aluminium smelter

capacity coming on stream, increased gold production and rising sales of second hand aircraft - and services. Besides helping traditional primary exports, the OECD says, the depreciation also appears to have had a substantial impact on a number of agricultural products such as wine and fresh fruit and vegetables, which were not previously significant export items.

Tourism has also been rising at the fastest rate of any of the OECD's 25 member countries, with most of the increase coming in travel from Japan, New Zealand and the US.

Further reduction in public sector spending is essential, the OECD says, complaining that state and local governments have not cut back as much as the Commonwealth Government, despite reduced transfers of funds from the centre and lower borrowing.

Continued wage moderation is also needed to reduce inflation further and maintain Australia's external competitiveness, the OECD report says, noting that the new two tier wage system should focus attention on productivity and labour flexibility and welcoming the recent wage agreement in the key metal trades industry.

The OECD also welcomes the recent decision to reduce protection of domestic industries, which used to receive effective protection ranging up to 200 per cent for clothing, 150 per cent for cars and around 100 per cent for textiles, compared with around 14 per cent for the rest of the manufacturing sector.

The abolition of tariff quotas and the reduction of tariff rates is particularly appropriate in the motor industry, since competitive pressures have been significantly reduced by the depreciation of the Australian dollar.

The organisation argues in favour of phasing out the local content scheme and lowering protection in the textile, clothing and footwear industry, where the adjustment now scheduled is spread over a long period and where the level of assistance will remain high at the end of the restructuring programme.

States should also follow recent Commonwealth moves by deregulating grain transport, handling and storage, and should apply to their public sector companies the more stringent management and financial criteria now adopted for Commonwealth enterprises.

Angola combatants get chance to regroup

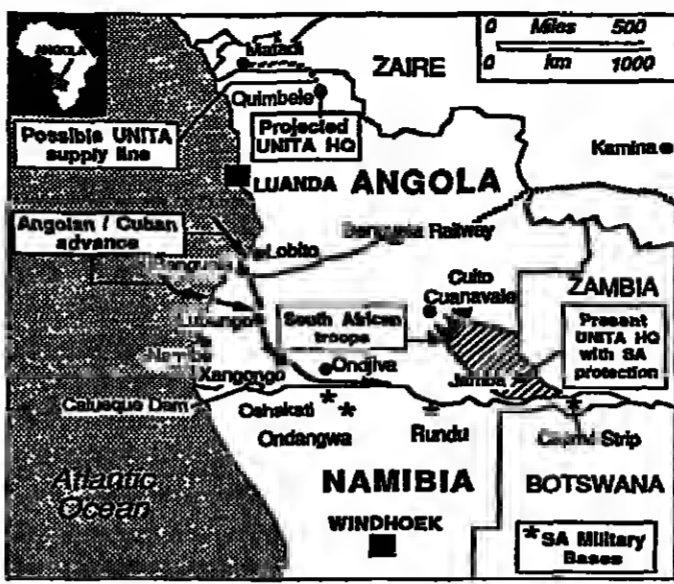
Michael Holman looks at the three armies and two guerrilla forces after the ceasefire

THREE national armies and three guerrilla forces have begun responding to the ceasefire declared on Monday in the southwestern Africa conflict.

In terms of the ceasefire, the most important step to date in the current round of efforts to bring independence to Namibia and remove foreign troops from Angola, a South African withdrawal from southern Angola begins today and is due to be completed by September 1.

Although an effective stand-off in the war has been in place since a big clash between South African and Cuban forces on the border on June 26, the formal announcement gives the main protagonists a chance to withdraw or redeploy their forces before the next and most critical stage of the peace process - agreement on a timetable for the withdrawal of about 45,000 Cuban troops in Angola.

For South Africa, it gives the opportunity to pull out an estimated 3,000 men in southern Angola, the most vulnerable of whom have been the southern Angolan town of Cuito Cuanavale in an attempt - which proved over-ambitious - to capture a strategic airfield and put out of action radar installations. An estimated 1,500 men are some 40km from the town, with a further 1,000 men held in



reserve in southwest Angola.

The contingent in Angola, sometimes deployed in support of the rebel Unita movement led by Dr Jonas Savimbi, is backed up by at least 40,000 men at the northern Namibian military bases of Oshakati, Ondangwa, Rundu and on the Caprivi strip.

The Angolan national army, which is 53,000 strong backed by 50,000 militia, was until last year by itself in the front line of the battle against South Africa. But as pressure from Pretoria increased, so the

new situation".

The move, drawing on reinforcements which began arriving in Angola towards the end of last year, may prove to have been one of the most significant in Cuba's 13 year role in the conflict. Within a matter of weeks the Cubans, reinforced their positions in the south with the construction of two 3,500m airstrips, complete with hangars and maintenance facilities.

No-one underestimates the massive military resources Pretoria has deployed in Namibia, but the Cuban advance meant that South Africa - which has already lost over 40 white soldiers in recent months - would pay a high price for further incursions.

In the withdrawal proposals put forward at an early stage of the peace negotiations, Cuba offered a four-year timetable. The first stage would be a step back to the 13th parallel which roughly divides Angola between the north and south.

About a year later the existing force would be reduced, and by month 30 around 20,000 Cuban forces would have returned to Havana. The balance would leave Angola over the remaining 18 months.

The withdrawal process has not got under way, however, and awaits agreement with South Africa - which has demanded a seven-month period. This is the critical issue to be negotiated at the next round of US-chaired talks.

For Unita, with some 26,000 men under arms, the Cuban advance had two implications. The first was that they could no longer rely, at least to the extent they have done in the past, on South African artillery and air support for the defence of their southern stronghold of Jamba.

Although Unita officials have denied the reports, there are suggestions that the rebels plan to open a new base at Quimbele in northern Angola, which can be supplied through Zaire.

The pact has profound implications for the African National Congress, which has seven military training bases in Angola holding several thousand men. Under the pact, it is expected that these camps would be closed, thus closing the final gap in the *cordon sanitaire* South Africa has created from the west to the east coast of southern Africa.

The third guerrilla force is that of the South West Africa Peoples Organisation, which has been fighting for Namibia's independence for over two decades. Since Angola's independence from Portugal in 1975 Swapo has been operating from camps in southern Angola. Under the ceasefire terms, Swapo has agreed to cease its military activity.

Court rules Malaysian party cannot be revived

By Wong Sulong in Kuala Lumpur

MALAYSIA'S dominant party, the United Malays National Organisation - which has ruled the country since independence in 1957, was confirmed as legally dead by the Supreme Court yesterday.

The unanimous decision by the five judges ends a bitter, year-long legal battle for the control of the party.

The dispute goes back to April last year when Dr Mahathir's challenger, Tengku Razaleigh, former trade and industry minister, narrowly lost his bid for the Umno presidency. Eleven of his supporters filed suit in the High Court seeking to declare the elections null and void because a number of unregistered branches had sent delegates to vote.

However, the Kuala Lumpur High Court, in its decision last February, went beyond the issue of the party elections and declared Umno unlawful.

"Both factions claimed the right to form their own parties

to succeed Umno, but Dr Mahathir prevailed and his party, called New Umno was registered. His opponents then appealed to the Supreme Court to revive Umno.

In its decision, the Supreme Court said a party with unregistered branches is rendered illegal under the societies act. It also ruled the party cannot be revived.

"The battle is now back in the political arena," said Mr Sharfee Abdullah, one of the lawyers for the 11 Umno dissidents.

Meanwhile, Dr Mahathir has said his new party would be seeking a court order soon to take over the substantial assets and liabilities of the old party.

The Malaysian Prime Minister also said from now, his party would drop the word "new" and would be referred to as Umno, even though there is a court injunction against doing so.

Heavy fighting near Kabul

HEAVY fighting is taking place in Afghanistan's Paghman province south of the Afghan capital, Christina Lamb writes from Islamabad.

A contingent of 10,000 Soviet troops which left Kabul last week has been ambushed by 5,000 Mujaheddin, led by Abdul Haq, the Kabul commander.

The convoy was headed south west towards the town of Ghazni and Gherzai which had already been vacated.

The resistance have confirmed that Soviet troops have left Kandahar and begun withdrawing north from Kabul. Western diplomats in Islamabad say they were surprised at the early withdrawal from the capital, which the Soviets had been expected to hold onto till the last possible time. Over the last few weeks they had even created military outposts around the capital.

Banker guilty in HK bribes case

By Michael Murray in Hong Kong

A FORMER employee of Barclays Asia yesterday pleaded guilty in a Hong Kong court to two charges of accepting illicit cash payments from clients in 1981 and 1982.

Mr Stuart Turner, at the time of the offences an executive director of Barclays Asia, was appearing six weeks after abandoning his appeal in London against extradition. He pleaded guilty to accepting HK\$88,000 (\$113,000) in cash from Mr George Tan, then chairman of the now defunct Carrim business empire. The money was in banknotes inside a gift-wrapped box.

This followed the arrangement of a HK\$100m short-term working capital facility to Carrim provided by Barclays Asia and Barclays International.

MPs predominate in Thai Cabinet

By Peter Ungphakorn in Bangkok

KING BHUMIBOL ADULYADEJ appointed a new 44-member Thai Cabinet yesterday, the first in 12 years to consist almost entirely of elected members of parliament.

Commanders of the three armed forces and the police visited Maj-Gen Chatichai Choonhavan, who was appointed prime minister shortly after the July 24 general election, to pledge their support. They were followed by one group of trade unionists who want workers sacked as the result of a labour dispute to be rehired and another who want the Government to scrap private management contracts at two ports in the south of the country.

Gen Chatichai, the first MP to be appointed Prime Minister since 1976, faces a delicate task convincing the military he can maintain the country's stability, the electorate that he can tackle their grievances, and the business community that his Government will not degenerate into an orgy of corruption.

The four parties in the previous government of Gen Prem Thinsulathit form the core of the new coalition. They are Gen Chatichai's Chat Thai

Party with 87 seats, the Social Action Party with 54, the Democrats with 48 and Rassadon (a party allied to the military) with 21. Two new smaller parties, United Democratic and Manichon, join them each with five seats.

The two weeks of bargaining for Cabinet posts have allowed some commentators and businessmen who see the main appointments primarily as a reward for party financiers rather than an effort to pick competent people for the right posts.

Much will depend now on the ability of the more honest officials and ministers to hold sway against the more corrupt.

The army, for the first time in decades, no longer has a direct representative in the Cabinet. But it has beefed up its representation in Government House with the appointment of Lt Gen Panya Singasakda, a senior staff officer, to the key post of Secretary General to the Prime Minister.

Under the previous prime minister, that position became a key to power. Gen Panya's predecessor, Sqn Ldr Prasong Soansri, became known as "the little Prime Minister".

Now who's the main contender for your PC business?

Is that a towel the competition are just about to throw into the ring?

You see, this month Commodore are announcing a new price structure on all our business machines. We think you'll like it.

Thousands of companies all over Europe are going on record to say our family of XT's, AT's and 386's out-maneuvre all others in the mid-price range in terms of quality, performance and support.

Together, they're a powerful argument to choose Commodore whatever your business.

That's a saving of over £50 on the next best price.

From here you have a choice of over 20 different possibilities ranging up to £3,999 for the highly sophisticated PC60-40. Make your own comparisons and you'll see that in many cases, your company will be hundreds of pounds better off by choosing Commodore.

A strong, well-developed range

Whatever it is you need from a PC - simple word processing, serious database or

presentation documents that really pack a punch - there is a business computer in the Commodore range that is exactly right for you.

So, when you come to compare systems and prices, we know one thing for a fact. You'll find Commodore to be a strong contender.

For further details on the Commodore PC range, please telephone 0800 800 477.

Commodore

Recommended retail prices including mono monitor exclusive of VAT. PC1 single drive XT £315. PC10 single drive XT £549. PC10 dual drive XT £579. PC20 hard disk drive XT £999. PC40 single drive AT £1399. PC40 hard disk drive AT £2249. PC60/40 hard disk drive 80386 £3999. Colour display and enhanced colour display available.

AMERICAN NEWS

Argentina debt team talks to creditors

By Stephen Fidler, in London
A delegation from Argentina, which has fallen between \$850m and \$900m in arrears on interest payments to foreign banks, met its leading bank creditors yesterday in New York to discuss the country's needs for new external finance.

Ecuador President pledges reform

MR RODRIGO BORJA, a left-wing law professor, becomes Ecuador's President today with a pledge to give the country an independent foreign policy after years of staunch unity with the US.



Borja loosening US ties

Portugal
"Re-establishment of relations (with Nicaragua) is a sign that our Government is independent and sovereign," said Mr Gonzalo Ortiz, the new Administration's official spokesman.

for most of his four-year term. But since January, no payments have been made, and Ecuador is more than \$1bn in arrears.

Alfonsin backs down over trade union demands

By Gary Mead in Buenos Aires
AFTER A three hour meeting with the head of Argentina's General Confederation of Labour (CGT), President Raul Alfonsín has acceded to some trade union demands and has thus headed off a general strike against the Government's new economic plan.

Brazil faces delays over reform of state constitution

By Ivo Dawson in Rio de Janeiro
FEARS ARE mounting that Brazil's long-debated new constitution could be delayed indefinitely if members of congress continue to stay away from the Constitutional Assembly in Brasilia.

Meese allows Detroit's newspapers to combine

By Roderick Oram in New York
MR EDWIN MEESE, in possibly his last major decision as US Attorney General, has allowed Detroit's two daily newspapers to combine their operations.

Shultz admits US drug duty

Mr GEORGE SHULTZ, the US Secretary of State, admitted on Monday that as the world's highest consumer of illegal drugs, the US had a special responsibility in the war against narcotics.

Reagan holds fire on Moscow's ABM 'violation'

By Our Foreign Staff
PRESIDENT Reagan has deferred action on alleged Soviet breaches of the Anti-Ballistic Missile Treaty, but has kept open the option of repudiating the treaty if the breaches are not remedied.



Edwin Meese: final decision

For the moment at least, it cools a simmering source of superpower conflict. The Soviet Union has made continued adherence to the ABM Treaty one of its conditions for a treaty limiting strategic nuclear weapons.

Defence companies overcharged Pentagon by \$789m

EXCESSIVE charges by US military contractors amount to hundreds of millions of dollars every year, according to an audit by the US Defence Department, AP reports from Washington.

White House opposes bill on textile imports

By Peter Mntaggon, World Trade Editor
THE REAGAN Administration has begun a lobbying effort to prevent a bill calling for tough new textile import curbs passing Congress in the wake of last week's vote on the omnibus Trade Bill.

Israel wins \$135m deal for military equipment

By Laura Blumenfeld in Jerusalem
TADIRAN LTD, an Israeli defence electronics company, is to supply an unnamed South American country with \$135m worth of military equipment.

Fresh delay feared on Ottawa submarine decision

By David Owen in Toronto
BRITISH and French companies competing to supply Canada with a nuclear-powered submarine design are becoming increasingly concerned that a decision on which design to adopt may be postponed until after a general election, possibly in late October.

Free trade deal at mercy of Canadian voters

Mulroney's US agreement is back in the political melting pot, writes David Owen
MR Brian Mulroney, the Canadian Prime Minister, finds himself on the horns of a dilemma.

UK aircraft makers bid for Australian orders

By Chris Sherwell in Sydney
TWO British aircraft groups, British Aerospace and Hawker Siddeley, are each strong contenders to supply the Australian Government with five VIP aircraft in deals worth around \$130m (\$61m).

China to build Algerian dam

CHINA International Water and Electric Corporation has won a contract worth an estimated \$260m (\$148m) to build a dam in the eastern Algerian province of Milla, writes Francis Ghilès, the contract, the largest awarded to a Chinese company in Algeria, had attracted bids from Balfour Beatty Construction International of the UK, Som Datt Builders of India and Dragados Y Construcciones of Spain.

China to build Algerian dam

CHINA International Water and Electric Corporation has won a contract worth an estimated \$260m (\$148m) to build a dam in the eastern Algerian province of Milla, writes Francis Ghilès, the contract, the largest awarded to a Chinese company in Algeria, had attracted bids from Balfour Beatty Construction International of the UK, Som Datt Builders of India and Dragados Y Construcciones of Spain.

Free trade deal at mercy of Canadian voters

Mulroney's US agreement is back in the political melting pot, writes David Owen
MR Brian Mulroney, the Canadian Prime Minister, finds himself on the horns of a dilemma.

Free trade deal at mercy of Canadian voters

Mulroney's US agreement is back in the political melting pot, writes David Owen
MR Brian Mulroney, the Canadian Prime Minister, finds himself on the horns of a dilemma.

JPK 10/1/88

A MILLION LESS SCHOOL LEAVERS WON'T MEAN A MILLION LESS JOBS.

School leavers.

Over the next few years you're going to see a lot less of them.

Thanks to the change in population, one million less of them.

So who are you supposed to train to become skilled workers?

Here's a clue, there's no shortage of them waiting to be trained.

That's right, unemployed people.

That's why the Government is investing over £1.4 billion in new Employment Training.

Britain's biggest ever training initiative.

So instead of fighting over the odd school leaver, you can train the unemployed to become your next generation of skilled workers.

For details of new ET, phone 0800 24 6000 or fill in the coupon.

Send to: Employment Training, FREEPOST (TK 895), Brentford, Middlesex TW8 8BR. Tel: 0800 24 6000

Name: (Mr/Mrs/Miss/Ms) _____

Position: _____

Company name: _____

Address: _____

Postcode: _____ Tel: _____

Number of employees: _____ Number of locations: _____

Nature of Business: _____

Opportunities for trainees: Office Factory Other

Company's involvement in other training schemes:

Currently Previously Never FTI/3

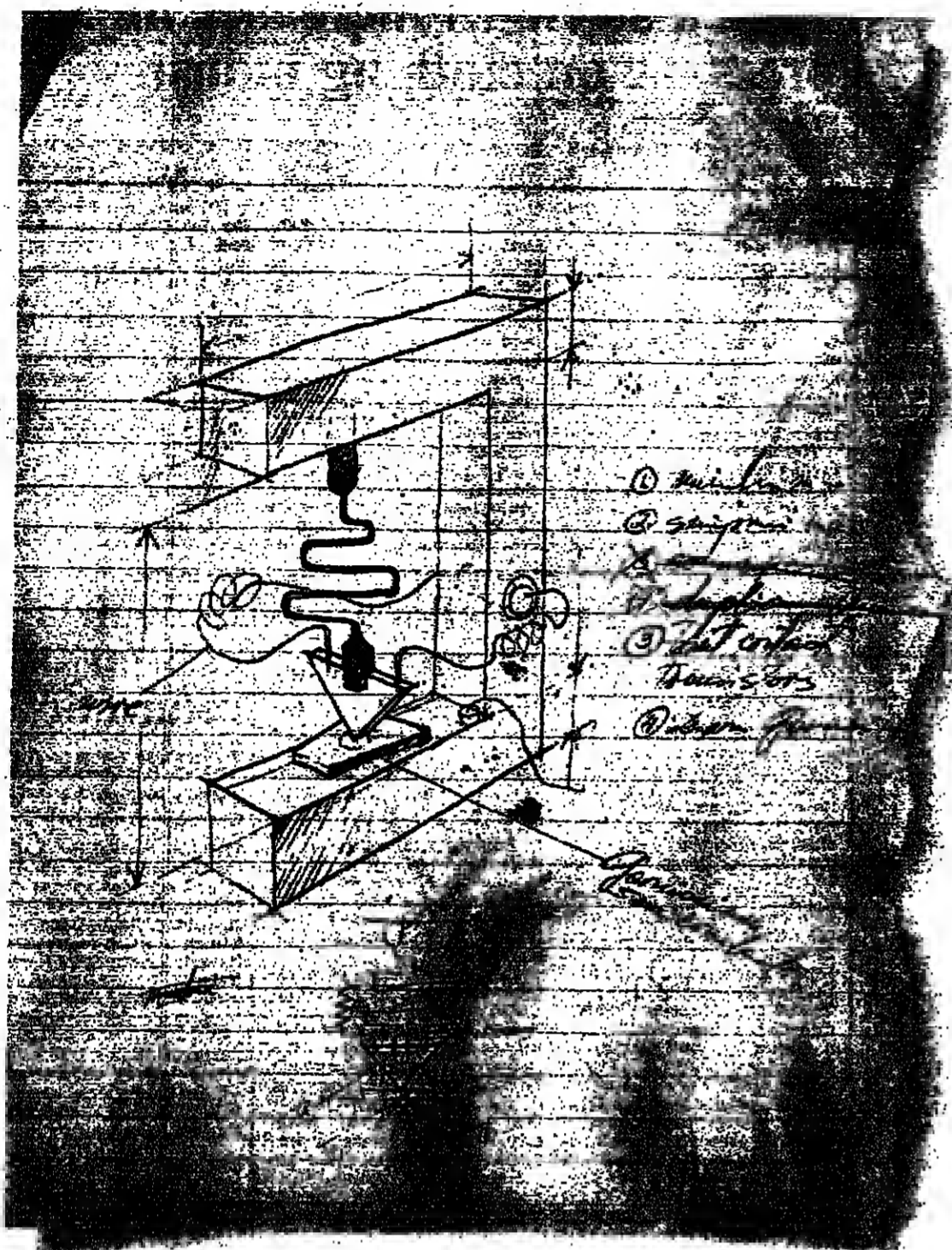
 **ET EMPLOYMENT TRAINING**
TRAINING COMMISSION

**TRAIN THE WORKERS
WITHOUT JOBS
TO DO THE JOBS
WITHOUT WORKERS.**

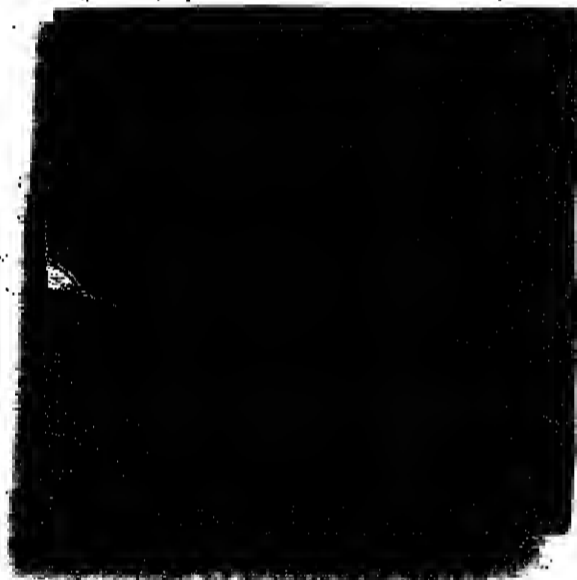


eva

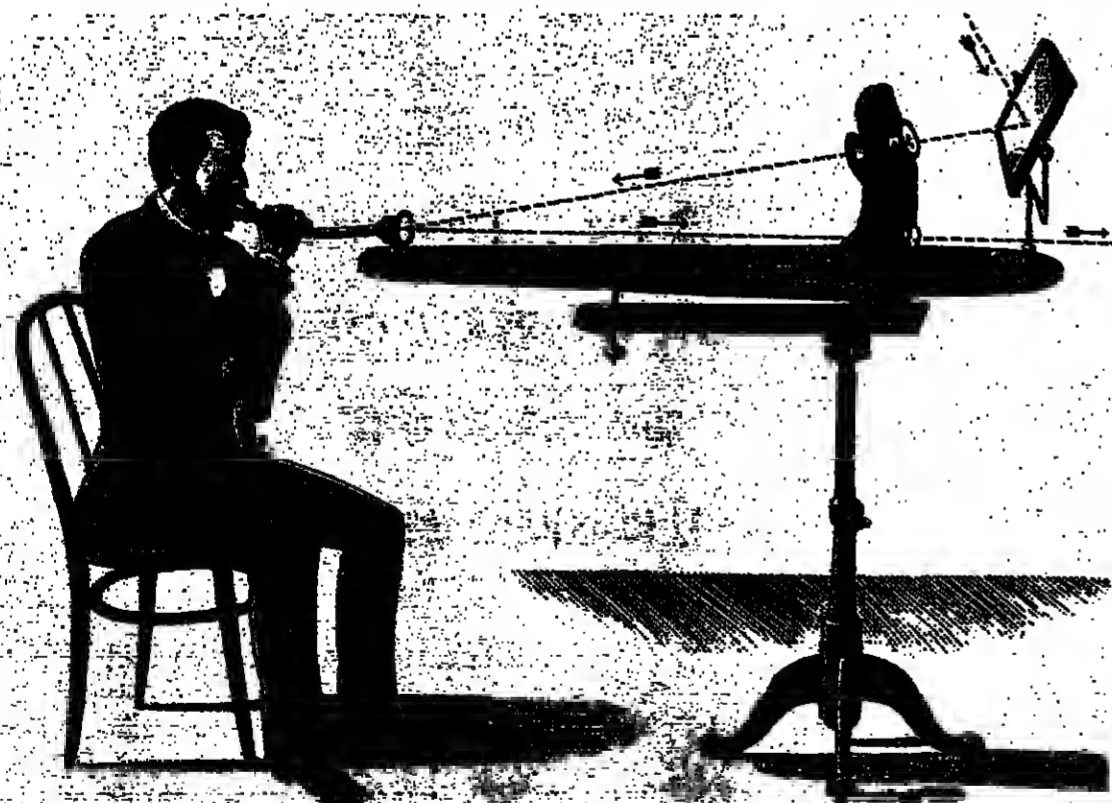
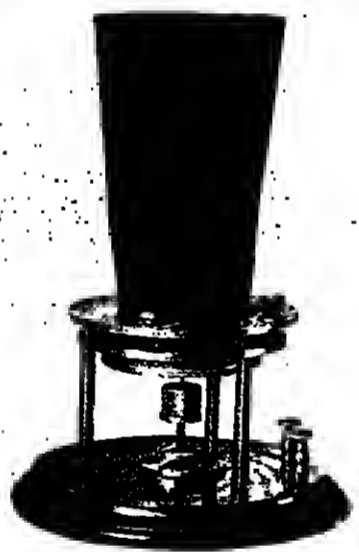
REGISTERED TRADEMARK OF AT&T IN THE USA AND OTHER COUNTRIES ©1988 AT&T



THE DISCOVERY OF THE TRANSISTOR EFFECT AT AT&T BELL LABORATORIES IN 1947 CHANGED THE COURSE OF HISTORY. SUDDENLY MINIATURISATION WAS POSSIBLE AND THE AGE OF ELECTRONICS HAD BEGUN. IN THIS FIRST TRANSISTOR THE CONTACTS WERE MADE OF GOLD AND THE SEMICONDUCTOR WAS GERMANIUM.



MARCH 10TH, 1876. ALEXANDER GRAHAM BELL UTTERS THE FIRST ARTICULATE SENTENCE EVER TRANSMITTED OVER HIS NEW INVENTION, THE LIQUID PHONE. "MR. WATSON, COME HERE. I WANT YOU" - AND THUS THE FIRST AT&T PATENT IS EARNED.



THE PRECURSOR OF FIBRE OPTICS FIRST SAW THE LIGHT IN 1880 WHEN ALEXANDER GRAHAM BELL WROTE OF HIS EXPERIMENTS WITH THE "PHOTOPHONE". "I HAVE HEARD A RAY OF THE SUN LAUGH, COUGH AND SING."



SCIENTISTS AT AT&T BELL LABORATORIES INVENTED THE FIRST ELECTRICAL DIGITAL COMPUTER IN 1939. ALMOST 50 YEARS LATER, THE 6386 MICROCOMPUTER IS ABLE TO SUPPORT AS MANY AS 32 USERS SIMULTANEOUSLY. A CONTEMPORARY COMPUTER INDUSTRY BREAKTHROUGH.

"Mr. Watson, come here," were the words that announced the invention of the telephone way back in 1876.

Unknowingly, they were also the words that announced the birth of an organisation that would ultimately be known as AT&T.

A few years and thousands of telephone poles later, the people of Los Angeles were able to talk directly to the people of Boston. The nascent AT&T was on the move.

In April 1927, a handful of New Yorkers glimpsed the future. AT&T Bell Laboratories, now the inheritors of Alexander Graham Bell's inventor's mantle, had developed a way to carry the first television image over telephone lines.

Then, a few years later, in 1939, the world's first electrical digital computer emerged from the same laboratory.

1947 saw a major breakthrough with three of our scientists inventing the transistor.

At the same time of course, they had no idea that this was the beginning of the microelectronics revolution. Each was later awarded the Nobel Prize.

In 1956, AT&T and its partners laid the first transatlantic telephone cable, and the world suddenly seemed a lot smaller.

The world's first satellite TV transmission was made possible in 1962 thanks to AT&T's Telstar satellite. And one of the first stations to receive Telstar's messages was built at Goonhilly that same year.

The UNIX® operating system was

developed by AT&T in 1969 and has subsequently become an international computer operating standard.

The story continues in a similar vein until today. In fact, AT&T have earned a patent every working day for more than 60 years, most of which have contributed to improving the world's communication.

Communication is the heart of AT&T's business. And technology is our lifeblood. We see our job as connecting people to people, machines to machines, systems to systems, unhindered by geographic and technical barriers.

Today, AT&T has co-operative ventures with over 100 nations. We've been working with British Telecom, and its predecessors, for over 60 years.

Right now, the new transatlantic fibre optics cable is nearing completion, a result of an even stronger partnership between AT&T and the UK.

We're providing jobs at our switch development and transmission manufacturing plant in Malmesbury and our microelectronics design centre at Bracknell.

We intend to invest more in Britain, to serve our customers better.

If you'd like to know more about AT&T in Britain, please write to AT&T, Information Office, Norfolk House, 31 St. James's Square, London SW1 4JR.



We invented the phone back in 1876, and we've been ringing the patent office ever since.

Panel warns of conflict over EC takeover code

By Philip Coggan

THE TAKEOVER Panel warns in its annual report published today that a forthcoming European Commission directive on takeover policy may have important implications for the British non-statutory system of regulation.

It is not the detail of the directive, but the method of its implementation which may pose problems, says the panel.

Commission directives are normally implemented through legislation in member states, and that would run counter to the UK's voluntary system.

The panel, which includes on its board representatives from City of London institutions, applies the self-regulatory and voluntary City Takeover Code.

Mr Antony Beever, the panel's director-general, says in the report that the expected scope of the directive is narrower than that of the Takeover Code. He adds: "It is unlikely that any of its provisions would be inconsistent with the code's general principles."

Discussions have taken place between the panel and the Commission about the proposed directive. Mr Beever says that "Commission officials have made it clear that they respect the panel's system for regulating takeovers and they have been sympathetic to our concerns."

The panel also details its policy on statements of intention made by potential offerors. Mr Beever says: "It appears that some practitioners may be under the impression that where a shareholder announces that it has no present intention of making an offer, then it will be prevented for making an offer for three months, and released thereafter. This would be wrong."

In fact, in the absence of a stated period, the panel would not regard a company as being bound for any particular length of time. However, if the company were to make a bid soon after the statement, the panel would need to be convinced that the original announcement had not been designed to mislead the market.

The panel also says that its recently-developed practice for selected journalists to be briefed before the release of takeover documents is in breach of Rule 19 of the code, which requires information to be made equally available to all shareholders.

The report shows that the panel's costs increased by more than a third over the year, partly because of legal costs incurred during the Guinness case and partly because of an increase in the number of staff.

Audit body criticises schemes to generate small businesses

By Charles Leadbeater, Labour Correspondent

THE VALUE for money of Department of Employment programmes designed to create new small businesses has been questioned by a National Audit Office report.

The report says the department's small business schemes finance many people who would have become self-employed anyway.

It says that a large proportion of the companies created put their owners out of business, and that a significant minority of the companies created quickly fail.

The report says the programmes have been relatively successful in supporting a large number of individuals and businesses at low administrative cost. But value for money would be improved if support were aimed more closely at those businesses most likely to succeed.

The report is particularly critical of the Enterprise Allowance Scheme, which provides a weekly allowance of £40 for a year to unemployed people who want to start their own businesses. More than 300,000 people have taken part in the scheme since its launch in 1982 at a cost of £254m.

Last year about 16 per cent of the scheme's starters were expected to drop out before completing their year. Of those remaining in business a quarter fall within the next six months, with most failures in the four weeks after the allowance is withdrawn.

Only 57 per cent of the companies started under the scheme were still trading three years later.

The report recommends that the department should introduce a test to assess the viability of the business plans of people applying for funds.

BR and GEC clash over cause of rail link failures

By Kevin Brown, Transport Correspondent

BRITISH RAIL, GEC and British Rail Engineering are to hold a meeting today to sort out responsibility for a rash of cancelled trains on the newly-opened Thameslink service across London.

Mr Chris Green, director of BR's Network Southeast sector, announced the meeting yesterday afternoon after blaming the problems on microprocessing equipment supplied by GEC's Traction subsidiary.

But today's meeting seemed likely to turn into a skirmish after Mr Keith Appleby, managing director of GEC Traction, said Mr Green had misunderstood the problem, and produced a report praising the company's commitment to reliability.

Ironically, it also emerged yesterday that the Thameslink service had been a roaring success with the public since a £72m fleet of Class 319 electric trains, built by British Rail's own workshops, started running in May.

The service links main-line tracks north and south of London, on a direct route from Bedford to Brighton through a reopened Victorian tunnel at Snow Hill.

More than 18,000 passengers a day are travelling on the central section, well above BR targets.

Mr Green said: "The majority of the problems being experienced concern the GEC microprocessor controlling the traction equipment, which is being modified."

Mr Appleby conceded that there had been "teething troubles," with GEC equipment, but the company would dismiss the claim that it was responsible for most of the problems.

He added: "I find it inconceivable that Chris Green says it is the microprocessor. Chris Green is not an engineer, he is a marketing person."

Mr Appleby said the source of the problem was the high technology equipment which enables the train to run on both dc current from overhead power lines north of London and ac current from a live rail on the Southern Region.

"We take our share of blame and we are working to put things right. But it's not all our fault. And it isn't the microprocessor," he said.

Mr Appleby also produced a report by Network Southeast praising GEC for a high record in reliability.

Dismay at remarks on Scottish business tax

By James Burton, Scottish Correspondent

BUSINESS leaders in Scotland reacted with dismay yesterday to remarks by a Scottish Office minister which appeared to cast serious doubt on the Government's commitment to implement a uniform business rate, or property tax, for the whole of the UK.

The harmonisation of Scottish business rates with those of England and Wales is regarded as vital to Scotland, since the separate Scottish rating system frequently leads to Scottish businesses paying considerably more in rates than elsewhere in the UK.

Service industries typically pay between twice and two and a half times as much as their equivalent English businesses. Process plant operations pay up to eight times as much.

The Government previously indicated that a uniform business rate would come into effect for Scotland in the early 1990s, after the planned 1990 revaluation of business premises throughout Britain. From 1989, when the community charge, or poll tax, replaces the present system of rates in Scotland, Scottish business rates will be subject to an index-linked ceiling.

But Mr Ian Lang, the Scottish Office Minister of State, has been quoted in Scottish newspapers as saying that the Government had never issued a firm policy that there would be a unified business rate for the whole of the UK, because it had not been able to quantify the size and number of burdens in the way of such an aim.

Asked whether it was a question of "if" rather than "when" Scotland joined a UK-wide system, he said: "It has to be 'if', until we see the outcome of all the issues we are looking at at the moment." Yesterday Mr Lang insisted that government policy had not changed.

However, Mr Ewan Marwick, chief executive of Glasgow Chamber of Commerce, said: "We are very disappointed. We had understood from Mr Lang that the two rating systems would be harmonised by the next UK-wide revaluation of 1995. Now it sounds as if nothing will happen before the next century."

Bank tests gilt auction market

By Simon Holberton, Economics Staff

THE Bank of England will today test the mood of the market for government securities by conducting the first in its series of bond auctions. Some £750m of stock will be offered, maturing in 1994.

There is some doubt, however, as to which class of investors will be interested in the stock. Analysts said that the auction was aimed at the building societies, but that preliminary soundings indicated that they were not interested at prevailing rates.

The high short-term interest rates should attract foreign investors, but the Bank decided not to make it tax-free for foreigners and market makers are divided as to the strength of foreign interest.

Yesterday's rates suggested that the Bank should take the issue which is partly paid and carries a coupon rate of interest of 8 1/4 per cent, at a yield of redemption of some 10.2 per cent.

The auction follows a series of three experimental auctions

which the Bank held last year and which raised £2.8bn. The last, held on January 18, was the least successful. It was for £1bn of stock but investors applied for only £1.06bn.

It is usual in the US, where all government debt is sold by auction, for investors to bid for up to 2 1/2 times the amount on offer. The first two UK auctions had a cover of 2.4 times and 1.5 times the offer.

How a market was brought to its knees, Page 17

Revenue fails to lift tax secrecy shield

Richard Waters looks at lawyers' victory over the taxmen

INLAND Revenue's tough-guy image is looking a little tarnished. In the face of heavy lobbying from lawyers it recently dropped its assault on one of the last bastions of secrecy left to taxpayers: legal professional privilege, or the right of confidentiality for people seeking legal advice.

Equally heavy lobbying from accountants has even persuaded the Revenue to extend a limited form of privilege to them as well, though the profession is divided over how effective the concession will be.

Companies and individuals seeking tax advice can now do so with the certainty that documents sent to their advisers will remain secret from the

taxman. For the unscrupulous, the ability to shield tax avoidance or evasion has been given a new lease of life.

The Revenue conceded defeat in a recent consultative document which signals the curbing of an eight-year exercise to update its enforcement powers.

Lord Keith of Kinkaid, who was given the task in 1980 of recommending changes to the statutory powers backing tax assessment and collection, concluded that the courts should have the power to override privilege in certain cases.

Otherwise tax avoiders would continue to use it as a tactical weapon, he reasoned. Vital information could be kept

out of the hands of the Revenue by taking the precaution of only writing down full details of tax avoidance schemes in communications with tax counsel.

This brought an outcry from the legal profession, which argued that all individuals had the right to legal representation without fear that documents in the hands of their lawyers could effectively be used against them. And accountants argued that, if lawyers' clients were protected and theirs were not, they could lose business to the legal profession.

The Revenue has now agreed to leave legal privilege intact, and at the same time has succumbed to the accountants'

"level playing field" argument, agreeing to extend a limited form of privilege to tax advice given by tax accountants.

Lawyers claim this as a victory for right-thinking people. "It would have encouraged evasion," says Mr John Carroll, head of tax at Stephenson Harwood. "People just wouldn't have gone to lawyers and accountants for legitimate advice. The whole business of tax planning would have gone underground."

Accountants are divided on whether they have won their argument. Mr Robin Ivison, a past president of the Institute of Taxation, says that they have got most of what they

wanted. Mr Adam Broke, a future president of the Institute, says they have not. According to Mr Broke, the Revenue will have access to working papers used to establish a tax computation, or other documents which will help its case in arguing a company or individual's tax liability.

But will the Revenue's step-down encourage tax evasion? Certainly not, say the professionals: their firms never get involved in cases of illegality. It will only foster genuine tax planning.

Keith: Further Proposals. Inland Revenue, Reference Room, Somerset House, Strand, London, WC2R 1LB. £3.00.

Buy-out fund planned

By Charles Batchelor

FOREIGN & COLONIAL Ventures, the venture capital arm of Foreign & Colonial Management Group, is setting up a £20m fund to invest in management buy-outs and established unquoted companies.

F&C Ventures plans to invest sums of between £500,000 and £1.5m in small buy-outs and in expansion finance for the smaller company.

It expects to complete fundraising by the end of September and to invest the funds over the next two years.

The company believes that

with just £20m to invest it can establish a niche for smaller deals which would not appeal to some of the larger development capital funds that have recently been established.

The new fund, called F&C Ventures Limited Partnership, is the third to be established by F&C Ventures.

It set up its first fund, with £10m of assets, in the form of a quoted investment trust in 1987.


It raised a further £11m for this fund by means of a rights issue two years later. In 1986 it set up F&C Buy-Out Trust.



There's still
no place
like it.
Call home.

No matter where your
business takes you, don't
let it take you away from
family and friends. Just
pick up the phone. And
feel the warmth of home.
Reach out and touch
someone.

AT&T
The right choice.



INCREDIBLE BUT TRUE

Germany's old established Government guaranteed State Lottery, the Nordwestdeutsche Klassenlotterie is offering you a great opportunity. The next lottery will start September 25th and will last for 6 months.

240,000 guaranteed winners out of only 600,000 tickets sold
Incredible odds. More than every third ticket a sure winner. Our total payout is more than

206 Million D-Mark

equivalent to about 114 Million U.S. Dollars.
Imagine, with every ticket you buy you participate in 27 weekly draws. You have 27 chances of becoming a

Millionaire overnight. We have made many Millionaires.

All prizes are tax-free in Germany. Any prize amount will be paid immediately **in one lump sum** in any currency. Strictest confidence. Don't delay — Order your ticket(s) today from your official State Lottery Agent:

CHRISTIAN SCHIPPMANN,
P.O. Box 70 15 69, 2000 Hamburg 70, West Germany

Please fill in the number of tickets you want to order:

— 1/1 ticket(s) £ 258.-	— or US \$ 438.-	— or DM 744.- each
— 1/2 ticket(s) £ 133.-	— or US \$ 226.-	— or DM 384.- each
— 1/4 ticket(s) £ 71.-	— or US \$ 121.-	— or DM 204.- each

Mr/Mrs/Miss _____

Street _____

City _____

Country _____ Postal Code _____

US \$ and £ prices are subject to the rate of exchange. Prices for all 6 classes including air mail postage and monthly list of winners. No additional charges.

I enclose cheque with my order

Access/MasterCard/Eurocard

American Express Visa

Account No. _____

Expiry date _____

Date/Signature of cardholder _____

Valid only when used in Germany. 8121

MANAGEMENT

Barclays in Europe

Seeking to grasp the 1992 marketing initiative

By David Lascelles, Banking Editor

The approach of 1992 has met with mixed feelings in the UK banking industry. One view, expressed by the British Bankers Association, is that the removal of barriers in the EC will merely get rid of "irritants" in a market that is already very internationalised. But Barclays Bank is taking a more upbeat line. John Quinton, the chairman, has appeared in advertisements proclaiming "Europe - what's the BIG idea?" and urging people to prepare for the opportunities - and threats - of the single market. To get the 1992 message across, his bank is also organising briefings for customers, and subjecting its staff to a European awareness campaign.

Much of this flurry of EC enthusiasm has to do with the fact that Barclays sees 1992 as a good marketing opportunity at a time when rivalry between the large UK clearing banks is particularly intense. The bank that is quickest off the mark, Barclays reckons, will be most readily identified by customers as the one to turn to for help in Europe.

But behind the scenes the group's senior executives are also trying to evaluate the sig-

nificance of 1992 and decide how to position Barclays' operations for the single market. The consensus seems to be that 1992 will not bring any great upheavals; it will accelerate international trends that are already evident. But it could open up some good cross-border opportunities (a firm of consultants has been hired to help identify them), and Barclays must also be ready to counter whatever moves its competitors make.

Like all the UK clearers, in recent years Barclays has spent far more time and money developing its business in distant places like the US and the Far East where it believed the major opportunities lay than it has in Europe. Although it has branches through much of Europe, many countries there were not a high priority, and one of them, Italy, has been a source of serious problems and losses.

All that is now changing. Barclays recently sold its branches in California because they were adding little to its global strength. Although there was no immediate connection with 1992, it was part of a pattern of changing priorities. "Europe is coming much

more to the forefront," says Peter Leslie, the deputy chairman. "Over time we expect it to become a unified market which will include the UK."

The bulk of Barclays' European business is in France and Spain where it has retail branch networks. In the other countries it is represented by branches of the head office or small finance subsidiaries. But altogether, it has only £7.1bn of assets in Europe out of a total £26bn, and last year it only broke even on its overall European business.

However, by the time UK branch operations are included along with Barclaycard and BZW, the group's investment bank, Leslie believes that Barclays is one of the most strongly positioned banks in Europe. "We have the widest coverage in terms of our home base and Europe as a whole," he claims.

Leslie believes only three banks are strong enough to tackle Europe on their own: his own, its main UK rival NatWest, and Deutsche Bank, the largest bank in West Germany. He sees a second tier of lesser banks forming alliances or mergers among themselves to defend their territory or co-operate across borders, and a

third tier of small banks which will be little involved in the 1992 changes.

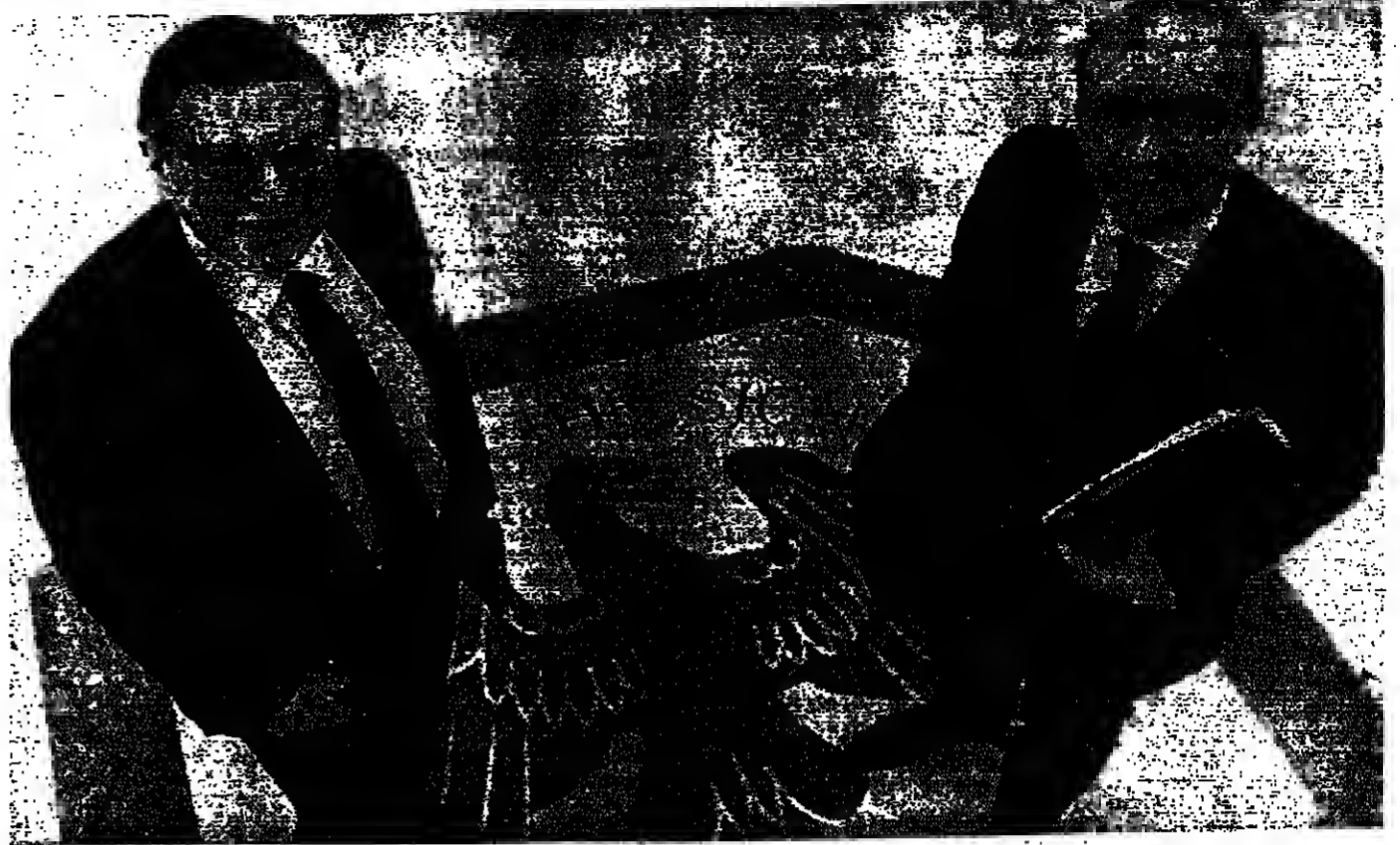
This positive assessment of its own potential is what has decided Barclays not to seek a merger of its own. "We feel we are quite big enough," Leslie says. "We don't see the value of large acquisitions. We might only make some small ones to fill a hole." He is also against associations with other banks.

"It always leaves you with a sword of Damocles hanging over your head: the question of what you do next."

But if Barclays' strategy is based on the decision to go its own way into Europe, the bank has also decided not to try to establish a major EC-wide institution with a presence in all markets. Though fortified by its recent £30m rights issue, Barclays thinks the cost would be huge and the chances of breaking into the continent's well-established banking preserves minimal.

Instead, Barclays is singling out specific services and geographic markets where it believes it can successfully deploy its strengths to gain profitable business at the lowest cost.

"If you go head on against the big German banks, you'll



John Quinton (left) and Peter Leslie: hired consultants to look for cross-border opportunities

just get a bloody nose," says Humphrey Norrington, executive director for overseas operations. But he thinks Barclays could build up full service banks in Spain and France where it is already quite well known, and countries like Italy where it thinks it can do a better job than the local banks. "Spending money on systems is more attractive than buying other banks," he says.

A major part of its thrust into the retail market will come from Barclaycard (see below), a highly automated operation which can be directed at specific classes of customer using modern marketing techniques. It has the additional appeal of not needing costly branch networks.

On the corporate banking side, Barclays considers that much of the market, particularly at the top end, already operates without regard to borders. Large multinational companies are able to obtain their banking services pretty much where they please. The tougher question is how to tackle lower tiers of the market where domestic banking relationships still dominate.

Huw Manton, overseas director, predicts: "The middle market will be the main battle-

ground." Barclays' intends to take a selective approach to this segment, aiming for companies with growing international needs, for example for trade finance, where it can use its name and London's international financial reputation to give it marketing leverage.

The approach would be designed to keep costs to the minimum by centralising the back office work, and leaving the greatest number of staff free to seek out clients and market Barclays' services. This will mean opening more branches, but Barclays has not yet decided "how many flags to fly," according to Manton.

But why would a German company want to use Barclays rather than one of its own banks? Manton admits that Germany will be a tougher market to crack than others where there is more scope for competition. But he says: "We will build a name for offering competitive services. We can never pretend to be a Bavarian bank, but we shall try and project a certain 'Europeanness'."

For BZW, the investment bank, the questions posed by 1992 are rather different. It is a member of the London, Paris and Amsterdam stock

exchanges. But many of its businesses - capital markets and investment - already transcend frontiers. David Bond, the chief executive, says BZW must develop its expertise and distribution in European securities to meet changing needs, such as pension funds' growing appetite for international securities.

He expects cross-border mergers and acquisition to be "a very active area" as the single market evolves. "There will be a lot of family businesses up for grabs in countries like Germany and Italy."

Barclays' expansion in Europe need not, however, be solely along traditional banking lines. Leslie says: "In some ways other services offer better opportunities for cross-frontier diversification." He mentions insurance and mutual funds as possibilities.

This would imply acquisitions. But Manton stresses that Barclays' approach to buying businesses has changed. "We have gone through a 180 degree turn. It doesn't do to go out and buy market share any more. Now, we look at how an acquisition would fit into opportunities as we see them, and they are different in each country."

While devising its approach to the Continent, Barclays is also trying to bolster its defences back home, knowing that the highly profitable UK banking market is likely to be a target for other EC banks. They will either come as acquirers of local banks and building societies, or as "cherry-pickers" of the choicest businesses.

Leslie says the defensive strategy must be to offer domestic customers as wide a choice of services as possible. "If today we were only giving retail customers cheque accounts and personal loans, and not life assurance, mortgages and so on, we'd lay ourselves open to significant penetration," he says.

With over four years to go before the completion of the international market, Barclays admits that its thinking is not yet fully developed, and that gaps need to be filled. But unlike some banks who are still taking a wait-and-see attitude, it believes it must act.

Leslie comments: "Undoubtedly there will be a lot of mistakes made. But it is not a sustainable policy to say 'Let's sit back and watch others make mistakes' because some people will get it right and succeed."

Barclaycard: a strong base for an EC attack

Barclaycard, with 9m cards, is by far the largest single bank-owned card system in Europe, and more people in the UK have credit cards than in any other EC country, Barclays therefore believes this gives it a strong base to launch an attack on the EC retail market without having to buy or build hundreds of branches.

"It is a fantastic opportunity to use the skills we have developed for 60m people on 320m people," says Peter Ellwood, Barclaycard's chief executive.

The EC's 1992 proposals include plans for harmonising regulatory and technical standards for credit cards. But Barclays does not see this only in terms of persuading millions of continental customers to sign up for a Barclaycard.

The most attractive markets, he believes, are France and Spain, where Barclays is already well represented, and Italy where, in Ellwood's view, retail banking is in need of more competition. Germany also offers potential as the least "carded" market in Europe, though the rival bank card system eurocheque is strongly entrenched there.

Barclaycard needs new avenues for growth. Its profits are levelling out in the UK, and margins are under attack. However, EC research has shown that credit card margins are much lower on the continent than in the UK, so expansion in that direction may not necessarily raise Barclaycard's returns, particularly if the 1992 marketing drive proves costly.

Ellwood describes it as "an entry point, a channel for giving value added services throughout Europe." These would include insurance and travel services, and even mail order goods which would be marketed directly to the customer.

Although 1992 will create a single market, Ellwood says each country will retain strong national characteristics, so Barclaycard's marketing will have to be individually tailored for each country.

He says Barclaycard has considered forming an alliance with continental institutions, and has had inconclusive talks with a bank and a non-bank. Alternatively, Barclaycard could buy a portfolio of card users from an existing operator.

Barclaycard's expansion in Europe need not, however, be solely along traditional banking lines. Leslie says: "In some ways other services offer better opportunities for cross-frontier diversification." He mentions insurance and mutual funds as possibilities.

This would imply acquisitions. But Manton stresses that Barclays' approach to buying businesses has changed. "We have gone through a 180 degree turn. It doesn't do to go out and buy market share any more. Now, we look at how an acquisition would fit into opportunities as we see them, and they are different in each country."

Barclays operations in Europe (including UK)

- Belgium: 1 branch, finance company
- Denmark: 3 branches, finance company
- France: 26 branches
- Greece: 4 branches
- Ireland: 1 branch, a banking subsidiary
- Italy: 3 branches
- Luxembourg: No representation
- Netherlands: 1 branch, 1 business development office
- Portugal: 2 branches
- Spain: 110 branches, finance company
- W.Germany: 5 branches, finance company

Local currency, 24 hours a day around the world.

All you need is your Visa card and your Personal Identification Number (which is known only by you)*

Travelling abroad? Kyoto to Killarney, Rome to Rio Pedras - you can get instant cash on your Visa card at the touch of a button.

Look for a machine with the familiar Visa sign, insert your card, key in your number and local currency is dispensed quickly.

And, of course, your Visa card is accepted at 6 million locations world-wide. Travel confidently, use Visa. All you need.

Visa has the largest network of cash dispensers in Europe and around the world with machines located in airports and cities across 30 countries.

WORLDWIDE SPONSOR 1988 OLYMPIC GAMES

*If you do not yet have your Personal Identification Number, call your Visa Bank.

BANK OF IRELAND BASE RATE

Bank of Ireland announces that with effect from close of business on 10 August 1988 its Base Rate is increased from 10.50 % to 11.00% p.a.

Bank of Ireland
Established 1783
Area Office 36 Queen St London EC4R 1BN

HONG KONG AS A FINANCIAL CENTRE

The Financial Times proposes to publish this survey on:

26th OCTOBER 1988

For a full editorial synopsis and advertisement details, please contact:

PETER HIGHLAND
on 01-248 8000 ext 3595

or write to him at:

Bracken House
10 Cannon Street
London EC4P 4BY

FINANCIAL TIMES
EUROPE'S BUSINESS AUTHORITY

Hill Samuel Base Rate

Hill Samuel & Co. Limited announce that with effect from close of business on 9th August 1988, their Base Rate for lending will be increased from 10.5 per cent to 11.0 per cent. per annum.

Hill Samuel & Co. Limited
100 Wood Street, London EC2P 2AL
Telephone: 01-625 8011

Interest Rates

Grindlays Bank plc announces that its base rate for lending has changed from 10.5% to 11% with effect from 9 August 1988.

Grindlays Bank plc
Member ANZ Group

Head Office:
Mintons House, Montague Close, London SE1 9QH.

Residential Property

PARIS 6

St Germain des Près Superb 140 sq.m. duplex, parking.

BCR 47 27 89 39 France.

BATTERSEA VILLAGE VICTORIAN SCHOOL GRADE II LISTED

Converted into 14 stunning houses and recently renovated. All with outside space, private parking, video, en-suite, woodwork floors, double height rooms, windows, raised garden, low voltage lighting, parquet, mosaic tiled bathrooms and bleeds, original tiled kitchen with every facility. No luxury fees or stamp has been passed. Terms: Cash. Long lease. Price from £165,000 to £245,000. Average price £200,000.

Hitchcocks - 024 3130
Kewwood - 223 2252
Open All Weekend.

UK Economist

An outstanding opportunity to join a leading team

Phillips & Drew Limited, a leading securities house, has a major presence in the Equity market in London and a pre-eminent reputation in macro-economic research.

A vacancy now exists to join the team responsible for monitoring and forecasting the UK economy. The job provides a unique opportunity for a well-qualified UK specialist to develop his or her career.

Ideally in your twenties, you will have a good first degree and probably a masters, both in economics. Additionally, you will have at least two years' experience in a financial or forecasting environment. You may now be working in the securities industry or for a major public institution engaged in macro-economic analysis. You must be able to combine technical excellence with the ability to communicate your ideas quickly and effectively, often under pressure.

The prospects for career progression are excellent. The compensation package is highly competitive and includes bonus, BUPA, a mortgage subsidy and non-contributory pension scheme.

Please send your CV to:-

Fiona Hanan
Personnel Officer,
Phillips & Drew,
120 Moorgate,
London EC2M 6XP

PHILLIPS & DREW

A MEMBER OF THE UNION BANK OF SWITZERLAND GROUP.

Corporate Finance Executives

Due to continued expansion we wish to recruit a number of young corporate finance executives to join our successful corporate broking team.

Candidates should be recently qualified chartered accountants or solicitors with up to two years post qualification experience (involving exposure to Stock Exchange regulations, takeovers and general corporate advice), possibly within the corporate finance department of a merchant bank or stockbroker.

To the right candidates we offer excellent career prospects.

Please write, including a full CV to:

Fiona Cartwright,
Group Personnel Department, Kleinwort Benson Group plc,
10 Fenchurch Street, London EC3M 3LB.

Kleinwort Grieson Securities

Leading US Financial Services Institution

FINANCIAL ANALYSIS

A leading US Securities House is looking for a recent graduate for the position of Financial Analyst. Candidates will have a cultural and educational background which sets them apart from the average candidate, and will enable them to fulfill a specific role in our Mergers and Acquisitions Department.

The successful applicant will have been educated, probably in Europe or the USA, to degree level in Economics, preferably with an emphasis on western trade with and investment in the Far East. He/she will have fluent command of English, together with one, or more European languages, as well as fluent Cantonese and preferably also Japanese.

He/she will have lived in Hong Kong and the Far East, and have an in-depth understanding of the culture and business practices of that part of the world.

The successful applicant should be computer literate and have demonstrable quantitative skills. He/she will already have shown leadership skills and an eagerness to take advantage of every opportunity to develop their intellectual, interpersonal and social skills.

If you possess the above qualifications and qualities, please write, enclosing a comprehensive CV including academic grades, to: TG West, Managing Director, (Ref. 424), Associates in Advertising, Columbia House, 99 Abchurch Lane, London WC2E 4XX. Please state in your covering letter any company to which your application may not be sent.

associates
IN ADVERTISING

CJA

RECRUITMENT CONSULTANTS GROUP
3 London Wall Buildings, London Wall, London EC2M 5PJ
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374 Fax No. 01-256 8501

A key appointment - prospects exist to become full Group Company Secretary in 3-5 years.

ASSISTANT GROUP COMPANY SECRETARY

FAR EAST C.£40,000

INTERNATIONAL GROUP - ASSETS IN EXCESS OF £500 MILLION

We invite applications from company secretaries, A.C.I.S., who have acquired a minimum of 7 years practical company secretarial experience and at least 2 years as the Company Secretary or Assistant Company Secretary of a substantial Plc. Overseas experience will be an advantage. Responsibilities are widely drawn and will cover advising the Boards on Stock Exchange and other regulatory bodies' statutory requirements as to compliance, as well as day-to-day control of the Company Secretariat of an international Group of companies. Occasional travel throughout the Pacific Region may be necessary. The ability to relate positively, commercially and tactfully at Board level is important. Initial remuneration negotiable, around £40,000, contributory pension, free life assurance, free medical insurance, subsidised accommodation, subsidised children's education, children's leave air passages, annual air passages. Applications in strict confidence under reference AGCS4621/FT, to the Managing Director, CJA.

Join the world of international Equities and influence the future development of electronic dealing.

MARKET SERVICES MANAGER

CITY C £27,000 + CAR + EXCELLENT BENEFITS

A LEADING CITY BASED ORGANISATION

We invite applications from individuals of graduate calibre, probably in their early 30's, working in a computer related appointment in the financial sector as a systems/business analyst. A sound knowledge of equities trading systems is important. This is a first-rate opportunity for someone wishing to influence the development of electronic dealing within the newest and fastest growing market of International Equities. The main purpose of this new, key role is to ensure that the systems fulfill the needs of the market. Specifically, this will entail: Identifying, analysing and documenting market requirements; working closely with project teams to ensure successful progression and implementation of system developments; planning the strategy for delivery of facilities to the market. It is essential that you are a good communicator with a strong commitment to results. Salary is negotiable c £27,000 and benefits include car, non-contributory pension scheme, free season ticket, BUPA and relocation assistance where appropriate. Applications in strict confidence, quoting reference MSM 21242/FT will be forwarded, unopened to our client. However, if there are any companies to whom you do not wish your details to be sent, please list these separately and mark the envelope for the attention of the Security Manager, CJRA.

3 LONDON WALL BUILDINGS, LONDON WALL, LONDON EC2M 5PJ. TELEPHONE 01-588 3588 or 01-588 3576. TELEX: 887374. FAX: 01-256 8501.
ORGANISATION REQUIRING ASSISTANCE ON RECRUITMENT - PLEASE TELEPHONE 01-628 7539

CORPORATE TREASURY

If you are a medium/large plc. with an active approach to treasury and can use fifteen years money, FX and capital markets experience, plus an MBA, please write to:

Box A0961, Financial Times,
10 Cannon Street,
London EC4A 3BY

CREDIT ANALYST

with knowledge of German is required by European bank. A minimum of 2 years' experience of credit analysis and the ability to work well in a small team. Salary £16-18,000 p.a. + excellent prospects.

Please tel. Stoughton 89-013-1441 or send CV to her at ASB International Recruitment, 28 Fleet Street, ECYV 1BE
Part of Anglo International Recruitment

Appointments Advertising Appears on Wednesday and Thursday £47 s.c.c Premium Positions £57 s.c.c

Jonathan Wren DEPUTY GENERAL MANAGER

£Negotiable

Our client is a large, successful bank in the US which has been operating as a branch in the UK for two years. Having now received a full banking licence it is looking to further develop its UK operation across the spectrum of financial services.

With an ambitious growth plan, the bank is looking to recruit a deputy to the General Manager with extensive experience gained within the UK banking environment. Preference will be given to private banking candidates with a background involving the servicing of high net-worth customers.

The successful applicant will possess highly developed management and organisational skills, an innovative approach and the drive and enthusiasm to successfully develop the new bank.

Because of the degree of experience called for, it is unlikely that the candidates will be less than 40 years old.

The position offers the full range of banking benefits with no upper limit on salary for the right person. Contact Richard Meredith.

LONDON HONG KONG MIDDLE EAST SINGAPORE SYDNEY

Jonathan Wren Recruitment Consultants

No.1 New Street, (off Bishopsgate), London EC2M 4TP.
Telephone: 01-623 1266. Fax: 01-626 5258.

FINANCIAL OPPORTUNITIES

MILLION BROKERS Good experience of either trading or Broking Bullion Options, Currency Options. Please call Richard Ward.	AUSTRALIAN EQUITY SALES Candidate must have good UK coverage with minimum 2 years experience of AS equity sales. Please ring Karen Gray for details.
CAPITAL PROJECTS FINANCE Lucrative opportunity for experienced person. Graduate, possibly accountant with experience in large projects. Debt Conversion, Debt/Equity, Languages essential. Large, international House. Ref. DF015.	SALES-ITALY EUROBOND/STOCK INCOME Possibly speaking with good institutional/Banking background. Possibly with Italian Banking background. Top packages for top people. Ref. DF015.
EUROBOND SALES - MULTI-CURRENCY Candidates must have good experience in Multi-Currency Sales including DM, Gold and Sterling Eurobonds. Please call Karen Gray.	NGR-India Income Sales (4 Years Experience) DNeg Equity Sales (2 Years Experience)
SALES U.K. Equities into Europe. Ideally 30-35 years old. French and German languages are essential. Please call Richard Ward.	Treasury Sales (2 Years Experience) DNeg Convertible Bond Sales (2 Years Experience) DNeg Bank Commercial Paper Sales (2 Years Experience) DNeg
CANADIAN DOLLAR EUROBOND SALES Reputable House sits experienced Canadian Dollar Salespeople with good European client base. For further information call Karen Gray.	Specialist Specialist (Capital Markets Experience) DNeg Equity Sales (2 Years Experience) DNeg MGR-Japanese Equity Sales (4 Years Experience) DNeg
FRENCH FRANC GOVERNMENT BONDS Major investment Bank seeks experienced salesperson with good contacts. Experience with D.A.T. must have been French. Great packages available. Ref. DF014.	U.K. Equity Sales to Europe (2 Years Experience) DNeg European Equity Sales to U.K. (2 Years Experience) DNeg
GILT TRADER Ideally 22-24 years old with 18 months experience trading gilts. Please call Richard Ward.	MGR-UK Equity Sales to Europe (4 Years Experience) DNeg Equity Sales (2 Years Experience) DNeg Plant Income Sales - Scandinavia (2 Years Experience) DNeg
FUTURES SALES 3 to 4 years experience of Futures Sales. The candidate will be working alongside the Fixed Income Department. Please call Richard Ward.	Fixed Income Sales-UK (2 Years Experience) DNeg Fixed Income Sales-UK (2 Years Experience) DNeg
CORPORATE FINANCE Min. 1 years experience with good House. Graduate. Languages essential. Excellent opportunity with International Bank. Ref. DF002.	NEW ISSUE EUROBOND SALES Candidates must have good client contacts within Brocker area. Experience in New Issue Sales also a asset. For further information call Karen Gray.

For further details of the above please call Sue Stevens.

01 377 6488
Candidate Agencies
222 Strand, High Street, London EC1

DEALERS

The following are a selection of current assignments and Dealers are invited to call to discuss these or other positions being handled, in confidence.

SENIOR FX DEALER To £40,000 A substantial client bank requires an experienced Dealer to trade strategically and in cross currencies.	SPOT CABLE To £40,000 Respected European Bank in phase of expansion seeks a Dealer with a successful record in trading Spot Cable.
SENIOR FX DEALERS To £35,000 Similar positions exist in three client banks for Dealers with solid experience in trading Dollar/Swiss, Dollar/Mex and Dollar/Yen.	CORPORATE DEALER To £25,000 An International Bank of substantial size requires a person with corporate dealing experience combining a good knowledge of FX and Money Market products.
FRA TRADER To £30,000 A respected International Bank, already successful in trading FRA's, now seeks an additional Trader to assist in the development of this activity.	SWAPS DEALER To £40,000 European Bank with superbly equipped Dealing Room now requires a person with 2 years' plus experience in Sterling Interest Rate Swaps.

GORDON BROWN & ASSOCIATES LTD.
RECRUITMENT CONSULTANTS

57/59 LONDON WALL, LONDON EC2M 5TP
TEL: 01-628 7501

Gordon Brown

Jonathan Wren TREASURY ANALYST

£Market rate + banking benefits

Our client, a long established international bank, has built its reputation in dealing with quality markets. Recent changes have occurred at senior management level which reflect the bank's commitment towards expansion in London.

As a result of these changes the bank now wishes to recruit a Treasury Analyst to assist in monitoring exposure to interest rate, currency and liquidity risk and to develop balance sheet strategies compatible with established profit objectives.

Applicants, ideally graduates, should possess the qualities and skills to make a major contribution to the asset/liability management process within the bank and should have experience of micro-computers. Contact Norma Given.

LONDON HONG KONG MIDDLE EAST SINGAPORE SYDNEY

Manager - Corporate Lending

North of England

NM Rothschild's office in Manchester services the whole of the North of England. It is the largest regional branch office of any merchant bank, with an active corporate finance department and a substantial treasury and lending business which has experienced rapid growth.

We are seeking an experienced lending officer to generate and negotiate loan business. Ideally, in your late twenties or early thirties, you will have an accountancy or banking qualification and experience in a merchant, international or clearing bank. You should feel at ease with business leaders and professional people and a preference may be given to those with some experience in property lending.

An attractive remuneration package will be offered, which includes a profit-sharing scheme, mortgage subsidy, car, BUPA and non-contributory pension scheme.

Applicants should send a full curriculum vitae to:

Robin Bryant,
NM Rothschild & Sons Limited,
3 York Street,
Manchester M2 2AW.

N M Rothschild & Sons Limited

Jonathan Wren

SENIOR GERMAN SPEAKING BOND SALESPERSON

AGE 33-38 UP TO £60,000 P.A. Basic Salary

An international bank, well-respected and active in the market, seeks a senior and particularly experienced bond salesperson with a well-established client base to cover Austria, Germany and German Speaking Switzerland. Fluent German is essential for this position.

In Switzerland contacts should be with major corporates at a senior treasury level; elsewhere sales are principally institutional. The right person should be able to institute sales from day one and contribute to a highly successful bond sales team.

Please ring Elizabeth Hayford on 01-247-0271 or write to her at:

LJC BANKING APPOINTMENTS
Devonshire House, 146 Bishopsgate, EC2M 4JX.
01-247 0271

LONDON OPPORTUNITIES

ASSET FINANCE c£25,000 + benefits
Established North American Bank requires two additional marketing managers to join this developing team. You will be able to demonstrate a successful background in business development in this area supported by credit assessment skills. Ref: RL4966

ACCOUNT OFFICER c£25,000 + benefits
Prestigious European Bank seeks to strengthen its successful private banking team. You will offer experience in the handling of high net worth individuals, coupled with a sound knowledge of banking procedures with a special emphasis on international securities. Ref: RL5825

CREDIT ANALYST c£23,000 + benefits
Exciting opportunity to join the credit department of a leading Investment Bank, providing exposure to a full range of products and corporate clients. The successful candidate will offer at least two years' experience of risk assessment. Ref: RL6298

MORTGAGE MARKETING c£22,000 + benefits
Leading International Bank, active in the commercial and residential mortgage market, requires an experienced marketer to promote and develop home loans business in the domestic market through an established network of brokers. Ref: RL5724

If you are interested in making a career move, please contact one of our specialist consultants in confidence by calling 01 408 1894 (24 hours) or write to:

MANAGEMENT PERSONNEL
2 SWALLOW PLACE
LONDON W1R 7AA

Management Personnel
RECRUITMENT SOLUTIONS
LONDON GUILDFORD ST ALBANS WINDSOR
NEWBURY BRISTOL CAMBRIDGE

مكتبة الجمل

TECHNOLOGY

When seawater oils the wheels of progress for pump design

Nick Garrett reports on a Swiss company's innovation

"YOU ARE in the sea, surrounded by sharks and all you've got on is a loin cloth." That is how Bob Dukes, manufacturing manager in the UK for Sulzer, the big Swiss equipment maker, describes the ferocious and predatory atmosphere of the world pump market, where sales volume is virtually static.

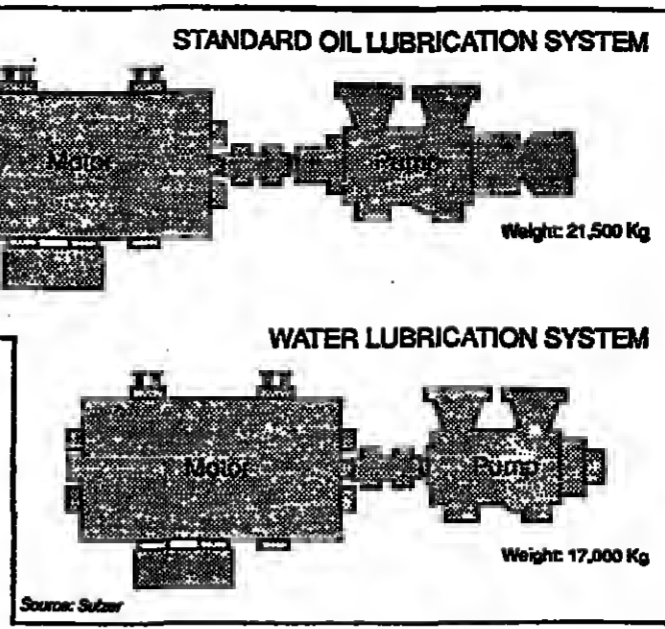
The time suppliers are given to make and deliver pumps has been halved in the past three years to about 26 weeks. Prices are rock bottom. And the scope for pump manufacturers to break away from the pack by offering a leap forward in technology is limited because of the evolutionary way that pump design develops.

These advantages are not academic. In offshore oil production, the expense of servicing equipment is one of the largest costs in operating a platform. Reducing the weight of equipment also makes for savings in the weight of the support structure. One estimate suggests that the cost of a rig or platform can be cut by \$100,000 for every tonne of top-weight saved.

Sulzer pump is that its main bearings - which support the rotor - are lubricated by seawater rather than by oil. Product lubricated pumps have been around since the early 1970s. They are mainly small machines used for pumping clean water or petroleum.

There have already been design successes in the quest for smaller, lighter pumps for the oil industry. In the early 1980s, pumps were offered with bearings which incorporated an internal lube oil system, including reservoir and cooler. This did away with the need for a separate system of tank and filters outside the pump.

The main body of the pump. With seawater lubrication, the bearings can be housed within the heart of the pump, shaving another metre or so off the length and helping to reduce weight to 16,500 kg.



Sulzer says this has been overcome by using silicon carbide on the bearings' outer surfaces. The relatively high cost of this material and the rather more complicated engineering work involved in housing bearings within the pump means that the purchase price of Sulzer's new model is no lower than that for its conventional machines.

Dashboard display on a screen

By Geoffrey Charlish

AUTODISPLAY, a Norwegian company, has been working on colour liquid crystal displays which would replace the conventional dials on vehicle dashboards with a computer driven screen, providing information as the driver needs it.

The approach is similar to that taken by aircraft instrument makers in the so-called "glass cockpit" of aircraft like the Airbus, where the conventional electromechanical dials now have graphical equivalents on television screens.

In cars, this means that information can be derived either from within the vehicle or from remote, radio-connected sources - road, weather and accident information, for example. Thor Kamfjord, managing director of Autodisplay, believes such displays will be essential for the realisation of the European Promethes programme. Using Promethes, drivers would have access to many sources of external information, including data from nearby vehicles to improve safety.

Autodisplay has prototypes which can be moulded in plastic to suit any dashboard design. The Norwegian company was set up three years ago specifically to make these products and Kamfjord believes this puts it in a strong position in relation to the European car instrument makers, which have heavy commitments to electromechanical production.

Autodisplay can be contacted on Norway, 346 4400.

Network for insurers

IN THE UK, the Lloyd's Motor Underwriters Association has decided to support BrokerNet, a computer network service provided by International Network Services (INS) for the insurance industry.

BrokerNet will link the brokers with the underwriters who arrange business in the Lloyd's motor insurance market, enabling them to exchange documents, such as proposals, renewal and adjustments, electronically. INS can be contacted on UK, 093276 1020.

Aiming for a turnaround without a shake-up

Clive Cookson looks at the new strategy of the UK's biggest independent computer software company

There's no business like the software business. In most industries, if a company took over a competitor which had lost more than £10m in each of the two previous years, there would be a managerial bloodbath and vigorous rationalisation.

says Swinstead, who is satisfied with the divisional management actually running Scicon. According to Swinstead, Scicon's losses amounted to £25m over the last three years. He says BP tried to "throw money at its subsidiary" during the mid-1980s with the intention of expanding Scicon into a substantial business in BP terms by 1990.

rate companies, two inherited from Scicon and four from SD, although Swinstead says that these will operate as three businesses, covering financial, industrial and defence sectors. He plans to sell the loss-making part of Scicon's SC software subsidiary, while retaining the profitable section, which supplies vehicle emission testing systems.

which the management is desperate to avoid. Managers in both subsidiaries say there is real "synergy" between SD and Scicon. They give many examples of the way the two complement each other. In industrial systems, for instance, Scicon has proved better at controlling continuous processes and SD at batch manufacturing. In work for the army, Scicon's expertise in battlefield and weapons systems has fitted well with SD's strength in communications.

practice, you really do get that bit of extra energy and entrepreneurial spirit from being responsible for your own destiny. Scicon Energy is the fastest growing part of SD-Scicon. Other multinational oil companies, which had been reluctant to give work to a BP subsidiary, are now flocking to it. Since the change of ownership, invitations to tender from oil companies other than BP have increased fourfold and contracts from non-BP sources have doubled.

for the prime contractor's role, putting together multi-million-pound computer systems. In the private sector, the real competition is often not another outside contractor but a company's in-house data processing department. And small specialised software houses continue to thrive in many commercial fields.

SD-Scicon will continue to focus on large and complex computer systems. It cannot hope to compete with the fastest growing US software companies, such as Ashton-Tate, Lotus and Microsoft, in mass-marketing microcomputer programs. Swinstead says that SD-Scicon will rely increasingly on adapting standard software products for its customers, rather than writing elaborate one-off systems. An example is Scicon's Setcon system for controlling industrial processes, which has won £3m of orders this year from the South Korean steel industry.

The main asset of any software company is its highly skilled - and highly mobile - staff. So SD had to tread softly to avoid driving Scicon's most talented employees into the embrace of its competitors. It is clear from SD-Scicon's new corporate structure and business strategy, announced last week, that Philip Swinstead, the chairman, believes that Scicon can be turned round by imposing tighter financial controls and encouraging the managers to show more enterprise than they did within the bosom of BP.

SD-Scicon is now the largest independent computer systems and software company in the UK and number two in Europe. Its turnover - £252m in 1987 - is well behind French-based Cap Gemini-Sogefi but just ahead of Sema, the new UK-based company created by CAP's merger with Sema-Matra of France.

Although the new SD and Scicon correspond broadly with the areas in which the old companies were strongest, 850 people are transferring from the old Scicon to the new SD and 450 are going in the opposite direction. However, these are purely administrative transfers. People are not being asked to move from the Scicon headquarters in Milton Keynes, Buckinghamshire, to the SD offices about 80 miles away on the Hampshire-Surrey border, or vice versa, because enforced relocation would lead to the exodus of staff

There is an interesting difference in the way the two are being organised. SD has a strong central marketing department and three divisions - systems, consultancy and a Software Technology Centre - which serve the whole of SD's public sector business. Scicon has a less centralised structure, reflecting the more fragmented private sector marketplace. There are four autonomous businesses - Scicon Energy, Scicon Finance, Scicon Industry and Scicon Networks - with their own management boards and marketing departments.

The worldwide market for computer software and services is expanding at about 20 per cent a year and SD-Scicon expects to grow more quickly than that. The highly fragmented nature of the industry gives ambitious companies plenty of scope for rapid expansion; even in the UK, SD-Scicon has no more than five per cent of the total market. On most projects, the competition is not one of the other large software companies (say, Logica, Hoskyns or Sema). Increasingly in the public sector, SD-Scicon is competing against the hardware manufacturers

Swinstead sees the Far East and Europe as prime growth areas over the next five years. In the US, the company will "concentrate on particular niche applications." "We haven't finished on the acquisition trail yet," he adds. "But first we have to prove to the market that we can turn Scicon round."

Corporate FX Sales ... Managerial potential. Elders Finance Group is committed to the future growth of its Capital Markets and Trading Division. To ensure this growth they now seek an entrepreneurial market professional to join the existing corporate sales team. The role involves product development with particular emphasis on options and off-balance sheet products. Suitable candidates will have relevant experience, existing market contacts and should be looking to develop their career within an expanding, yet well known city group.

QUALIFIED SOLICITOR TO £25,000. ACTIVE AND EXPANDING INTERNATIONAL BANKING requires specialist in contract and commercial law to assist Credit Manager in all aspects of facility lending. SENIOR MANAGEMENT ACCOUNTANT £20,000-£25,000 plus car. An experienced accountant preferably from the financial sector is required by a recently formed company involved in funding mortgage backed securities.

SENIOR FOREIGN EXCHANGE DEALER. We are a major Japanese Bank seeking to recruit a Senior Spot Dealer to further strengthen its Treasury and Department. Treasury and Foreign Exchange represents a significant part of the Bank's business and you will have responsibility for spot dealings in cable, swap, forwards & cross currency; the Bank is a market maker in dollar/yen. The salary is negotiable and Applications to include a full C.V. should be forwarded to Roy Holgate P.O. Box 567 30 Cannon Street London EC4M 6XH

PORTFOLIO STRATEGIST. Central London £30,000 + banking benefits. International fund management company expanding in the Canadian market, requires senior financial economist to monitor the Canadian economy and project expected returns in Canadian financial markets. The job holder will also support a UK/Canada joint venture company to market products to Canadian institutional investors.

WANTED: SENIOR ADVISOR. U.S. private investment firm specializing in company buyout transactions seeks a senior advisor. Highly experienced individual must have top level industry, legal and banking contacts required to develop European acquisition opportunities and to arrange for investor financing. Equity participation available for services that may be rendered on a part time basis. Please write in confidence to: Peter W. Smith, 401 North Wabash, Suite 211, Chicago, Illinois 60611 U.S.A.

A direct line to the executive shortlist. To secure the best appointments at a senior level needs more than good advice, accurate objectives and succinct presentation. InterExec not only provides career advice, but also a unique service to bridge the critical gap between counselling and the right job. Why waste time and money on unproductive interviews?

International Appointments. E.C.L.O.F. (The Ecumenical Church Loan Fund) is a Swiss Foundation which, in close relationship with the World Council of Churches, makes loans to church organisations and finances development projects in about 60 countries. E.C.L.O.F. seeks a male or female DIRECTOR (MANAGER) for its central office in Geneva.

REGISTERED REPRESENTATIVES. Top Commission Plus... For Effective Individuals with Clients. Highly Successful (Full) Members of TSA. 01-895-1700 Mr Hershon.

APPOINTMENTS ADVERTISING. Appears every Wednesday and Thursday for further information call 01-248 8000. Tessa Taylor ext 3351. Deirdre Venables ext 4177. Paul Maraviglia ext 4676. Elizabeth Rowan ext 3456. Patrick Williams ext 3694. Candida Raymond ext 4627.

Jonathan Wren. "GUIDE TO CURRENT SALARIES IN BANKING" (Published March and September) and "SURVEY OF FRINGE BENEFITS IN BANKING" (Published Mid-Summer). For further details on these valuable and informative publications please contact Cheryl A. Ayre on 01-623 1266. LONDON HONG KONG MIDDLE EAST SINGAPORE SYDNEY. Jonathan Wren Recruitment Consultants No. 1 New Street, (off Bishopsgate), London EC2M 4TP. Telephone: 01-623 1266. Fax: 01-626 5238.

Until very recently, only those in the upper echelons of the social register ever inherited anything of any real worth. As the heirs of "well-to-do" families they knew what was coming to them, just as they knew what was expected of them.

This wealthy and worldly minority (perhaps 10% of the population) is now about to be superseded by a new, larger and more volatile band of inheritors: today's middle-aged, middle classes.

It is they who are set to become the "nouveau riche" of the 90's and beyond. And they will, in a very real sense, owe it all to their parents.

For it was the post-war generation who first enjoyed widespread home ownership. Now retiring in their millions, they will soon be conferring their wealth upon their already affluent 40 and 50 year old children.

A portentous event when one considers that even a modest estate can now be expected to top the £100,000 mark.

In fact, estimates predict that by 1997, parents passing away will pass on a staggering £24 billion a year. (240% up on current levels.)

Undeniably, the impact of this quiet, yet colossal transfer of wealth will be immense. It will affect



OVER THE NEXT 10 YEARS, MILLIONS OF PEOPLE WILL BE CONFRONTED WITH A UNIQUE PROBLEM.

companies big and small, old and new, progressive and old-fashioned alike. It will doubtless affect you and your company. After all, millions of dutiful sons and daughters will be presented with dauntingly large legacies.

But will they spend, spend, spend? Or will they use their vast discretionary wealth with discretion?

Will they, as some pundits predict, fritter their money away on the likes of fritto misto di pesce and moules à la crème; German fitted kitchens; Milanese designer furniture; winter holidays in St Lucia and summer jaunts to gîtes in the Camargue?

Or will they, as rival experts would have us believe, plough their considerable capital into the City's money markets?

As it is, 1 in 5 adults now hold stocks and shares of one sort or another. 1 in 3 have taken out their own private pension plan. 1 in 10 have decided to invest in private health care. These figures could advance dramatically given sufficient nouveaux inheritors with sufficient financial perspicacity. No area of finance would remain untouched.

Private education, for example, could become a realistic and popular option for legions of middle class families overnight.

Whilst an ever-decreasing retirement age and a less munificent welfare state could bring pension and private health care planning to the front of millions of minds.

The vagaries of luck and fate need not decide your company's eventual response to all this, though. You can start doing something about the matter today, just by thinking ahead.

For forward planning is the only answer. An answer that we at Ernst & Whinney have put into practice for companies of all sizes and complexions. In all probability, your company could benefit from contacting us. After all, without wishing to blow our own trumpet, we do have a wealth of experience.

E&W Ernst & Whinney
Accountants, Advisers, Consultants.

مكتبة الأصول

INTERNATIONAL COMPANIES AND FINANCE

Maiden results from Linotype show 21% rise in net profits

By Halg Simonian in Frankfurt
LINOTYPE, the West German printing technology company which was floated on the stock market last year, increased its interim after-tax profits by almost 21 per cent to DM2.4m (\$1.2m) in its first six months as an independent company.

FKI plans to list UK electrical product unit

By David Waller in London
FKI BABCOCK, the UK electrical and engineering group formed last summer when FKI Electricals bought the much larger Babcock International, is planning a separate stock-market listing for its UK electrical products division.

Control Securities buys 24.6% stake in Stylo

By Vanessa Houldier in London

CONTROL SECURITIES, the ambitious UK property trading and leisure group, has bought a 24.6 per cent stake in Stylo, the UK shoe retailer, from British Land, the property group. The deal is the latest twist in a three-year battle for control of Stylo, which is protected from predators by an unusual shareholder voting structure.

interest of shareholders. "Mr Virani would have to come up with a figure that I couldn't refuse. It would have to be full value for a chain of stores that is almost priceless," he said. The Stylo share price yesterday moved up from 250p to 320p, capitalising the company at \$61.5m (\$104.5m). The book value of Stylo's land and buildings was calculated at \$58.7m last January.

This failed as a result of a two-tier share structure under which family-held shares have 16 times the voting rights of ordinary shares. The payment for the Stylo stake was £18.2m. As part of the same deal, Control Securities has bought a portfolio of 17 freehold properties from British Land for £69.3m. Mr Virani said most of the properties were suited to Control's trading portfolio, the balance would be retained with a view to generating an increased rental income. At present, the property portfolio generates a total net income of £4.8m a year.

Ares-Serono boosted by strong growth in sales

By William Dufforce in Geneva

ARES-SERONO, the Swiss-based pharmaceuticals group, yesterday reported a 47 per cent climb in net income to \$22.7m for the first half of 1988 compared with the corresponding period last year. Sales rose by 35 per cent to \$208m. Excluding favourable currency fluctuations, the real increase in turnover was 29.5 per cent, the company said.

per share for 1987 were \$64.43. Among key developments in the first half were the arrangement of a \$150m multi-currency revolving credit, a \$4.5m expansion in biotechnology manufacturing in the US and the acquisition of a London in vitro fertilisation clinic. The holding company, registered in Cotnam in the canton of Vaud, paid dividends of SF20 (\$2.50) per share and SF18 per registered share last year. It went public in June, 1987, and is listed on Swiss stock exchanges. Ares-Serono is Italian by origin, and has its executive headquarters in Geneva and operating headquarters in Boston.

Institutions split over big Mecca bid

By David Waller in London

BRITISH institutional shareholders in Pleasurama - the UK group facing a \$594m (£1bn) bid from rival leisure group Mecca Leisure - appear sharply divided over Pleasurama's plans to buy the Hard Rock restaurant chain. Pleasurama is holding an extraordinary general meeting on Friday to approve the \$58m acquisition and the \$127m rights issue to finance it.

Schering group earnings rise to DM134m

By Leslie Collett in Berlin

SCHERING, the West Berlin-based pharmaceuticals and chemical company, yesterday reported group earnings rose 6 per cent for the first six months to DM134m (\$70.6m) compared with the same period in 1987. Turnover rose 11 per cent to DM2.75bn. Profits at Schering AG, the parent company, were DM106m, up 16 per cent, in the same period. Revenues were DM1.4bn, up 14 per cent. Sales rose above average in the US, Italy and Brazil. Turnover in pharmaceuticals increased 12 per cent, plant protection chemicals 13 per cent and electro-plating 24 per cent.

Shareholder with 2.7 per cent, and at least one more of the top ten institutional shareholders, have come down emphatically against Pleasurama.

UK BANKING
The Financial Times proposes to publish this survey on:
26th September
For a full editorial synopsis and advertisement details, please contact:
DAVID REED
on 01-248 8000 ext 3461
or write to him at:
Bracken House
10 Cannon Street
London
EC4P 4BY
FINANCIAL TIMES
PUBLISHED DAILY MONDAY TO FRIDAY

U.S. \$150,000,000
Northeast Savings, F.A.
Collateralized Floating Rate Notes Due 1996
Interest Rate 8.7875% per annum
Interest Period 10th August 1988 10th February 1989
Interest Amount per U.S. \$10,000 Note due 10th February 1989 U.S. \$449.14
Credit Suisse First Boston Limited
Agent Bank

U.S. \$300,000,000
Republic of Indonesia
Floating Rate Notes due February 2001
In accordance with the provisions of the Notes, notice is hereby given that for the Interest Period from August 10, 1988 to February 10, 1989 the Notes will carry an interest rate of 8 7/8% per annum. The interest payable on the relevant interest payment date, February 10, 1989 will be U.S. \$1,340.28 and U.S. \$453.61 respectively for Notes in denominations of U.S. \$250,000 and U.S. \$10,000.
By: The Chase Manhattan Bank, N.A.
London, Agent Bank
August 10, 1988

GPA posts 45% rise in profits

By Halg Simonian in Dublin

GPA GROUP, the world's biggest aircraft leasing company, has announced net income of \$34.4m for the first three months of 1988, up 45 per cent on the same period last year, writes Kieran Cooke from Dublin.

Mr Tony Ryan, chairman and chief executive of the Irish-based company, said GPA had increased its leasing fleet from 104 to 118 aircraft. Last year GPA made profits of \$101.3m. GPA, a privately held company, is based at Shannon.

NEW ISSUE July, 1988
C. ITOH & CO., LTD.
U.S. \$400,000,000
4 1/2 PER CENT. NOTES DUE 1993 WITH WARRANTS
ISSUE PRICE 100 PER CENT.
The Nikko Securities Co., (Europe) Ltd.
DKB International Limited Robert Fleming & Co. Limited
Morgan Stanley International
ANZ Merchant Bank Limited Banque Indosuez
Banque Paribas Capital Markets Limited Barclays de Zoete Wedd Limited
Cazenove & Co. Chase Investment Bank
Citicorp Investment Bank Limited Daiwa Europe Limited
Deutsche Bank Capital Markets Limited Dresdner Bank Aktiengesellschaft
Goldman Sachs International Corp. Kleinwort Benson Limited
LTCB International Limited Manufacturers Hanover Limited
Merrill Lynch International & Co. Morgan Grenfell Securities Limited
New Japan Securities Europe Limited Nippon Kangyo Kakumaru (Europe) Limited
Salomon Brothers International Limited SBCI Swiss Bank Corporation
Shearson Lehman Hutton International Smith Barney, Harris Upham & Co. Incorporated
Société Générale Sumitomo Finance International
Sumitomo Trust International Limited Union Bank of Switzerland (Securities) Limited
Yamaichi International (Europe) Limited

NEW ISSUE July, 1988
C. ITOH & CO., LTD.
(Itchchu Shoji Kabushiki Kaisha)
ECU100,000,000
3 1/2 PER CENT. NOTES DUE 1993 WITH WARRANTS TO SUBSCRIBE FOR SHARES OF COMMON STOCK OF C. ITOH & CO., LTD.
ISSUE PRICE 100 PER CENT.
Banque Paribas Capital Markets Limited Nippon Kangyo Kakumaru (Europe) Limited
Bank of Tokyo Capital Markets Group Crédit Commercial de France
Deutsche Bank Capital Markets Limited IBJ International Limited
The Nikko Securities Co., (Europe) Ltd. SBCI Swiss Bank Corporation Investment banking
Algemene Bank Nederland N.V. Amsterdam-Rotterdam Bank N.V.
Banque Bruxelles Lambert S.A. Banque Internationale à Luxembourg S.A.
BHF-BANK Caisse Nationale de Crédit Agricole
Citicorp Investment Bank Limited Commerzbank Aktiengesellschaft
Crédit Lyonnais Daewoo Securities Co., Ltd.
Dai-ichi Europe Limited Daiwa Europe Limited
Dresdner Bank Aktiengesellschaft Girozentrale und Bank der österreichischen Sparkassen
Manufacturers Hanover Limited Merrill Lynch International & Co.
Mitsui Trust International Limited Morgan Grenfell Securities Limited
PaineWebber International Salomon Brothers International Limited
Société Générale Wako International (Europe) Limited
Westdeutsche Landesbank Girozentrale
Banque Indosuez Barclays de Zoete Wedd Limited The Chuo Trust & Banking Co., Ltd.
Cosmo Securities (Europe) Limited Daiwa Bank (Capital Management) Limited DKB International Limited
Fuji International Finance Limited Kosei Europe Ltd. KOKUSAI Europe Limited
Kyowa Finance International Limited LTCB Europe S.A. Maruman Securities (Europe) Limited
Marusan Europe Limited Meiko Europe Limited Mito Europe Limited
Mitsubishi Finance International Limited Mitsubishi Trust International Limited Mitsui Finance International Limited
National Securities of Japan (Europe) Ltd. New Japan Securities Europe Limited Nippon Credit International Limited
Okasan International (Europe) Limited Saitama Finance International Limited Sanwa International Limited
Sanyo International Limited Sumitomo Finance International Sumitomo Trust International Limited
Taiyo Kobe International Limited Takugin Finance International Limited Tokai International Limited
Tokyo Securities Co. (Europe) Limited Tongyang Securities Co., Ltd. Toyo Securities Europe Ltd.
Toyo Trust International Limited Universal (U.K.) Limited Yamatane Securities (Europe) Limited

INTERNATIONAL CAPITAL MARKETS AND COMPANIES

Swaps keep in step with the regulators

Dominique Jackson on the way a little-understood investment tool has come of age

A new survey has cast light on the hitherto mysterious market in interest rate and currency swaps - once considered risky and instruments but now increasingly seen as routine and indispensable tools for exposure management.

public understanding of the global swaps market, end-users' confidence in the product is much higher, she said. In an area such as the primary Euro-bond market, the ability of an institution to effect the desired swap, and thus an attractive eventuality of funds, is often the key to the borrower's decision in awarding the mandate for its issue.

Although ISDA has enlisted support from several senior US legal experts to back its case, the concept has yet to be tested in a court of law.

Most participants in the swaps market welcomed the clarification of many grey areas which had previously left them uncertain as to how much room they had to manoeuvre. New guidelines are not expected to affect the development of the market greatly but could, for example, curtail the buoyant interbank swap business, which is mainly used as a way of taking a view on interest rates.

Mr Malcolm Waller of Barclay's Bank said: "The market is developing well, surprisingly so outside the US and, in the run-up to the single European market in 1992, we expect far more efficient use to be made of swaps in cross-border borrowing as cross-border commercial business grows."

US discount rate increase takes traders by surprise

By Dominique Jackson

THE US Federal Reserve's move to raise the discount rate by a half point to 6.5 per cent provoked the Eurobond market into action yesterday following a quiet morning's trading during which most operators had squared positions, content to wait for the next Treasury auction of \$11bn of three-year bills.

The shock of the rate rise may hit the bond markets right now but the Fed's willingness to take anti-inflationary action is bound to boost the dollar and in the longer term, that

should spell good news for Eurobonds," commented one syndicate manager. In the day before the rate hike, JP Morgan led a dollar straight for Electricité de France, which carries the Republic of France guarantee.

INTERNATIONAL BONDS

same maturity and the borrower was able to achieve a more attractive cost of funds through the underlying swap transaction. The spread on the deal at launch of 40 basis points over comparable Treasury issues was "tight but right."

was placed domestically in Canada last week. The issue was through a company called Olympia & York First Canadian Place as the bond is secured by the mortgage on First Canadian Place, the borrower's prime real estate in Toronto.

The deal excited interest from European investors who are rapidly becoming more familiar with the borrower. The initial spread of 104 basis points over comparable government issues was also popular.

Hambros Bank took advantage of a pocket of demand for New Zealand dollars with a \$200m deal for the Commonwealth Bank of Australia carrying the added incentive of a Commonwealth guarantee. The three-year issue carried a 14 per cent coupon and was priced at 101.7. The lead manager said demand was excellent.

Strong demand boosts Highveld Steel profits

By Jim Jones in Johannesburg

HIGHVELD Steel and Vanadium of South Africa reports higher profits for the first half of 1988 following strong domestic demand for steel and expanding international sales of ferro-alloys.

expected to be enhanced by the weaker rand. Sales for the half-year rose R499m (\$212m) from R387m in the corresponding year-ago period. Pre-tax profit was R69m against R33.5m. For 1987 as a whole, turnover was R850m and the pre-tax profit R74.3m.

La Générale subsidiary buys stake in Euroratings

By Stephen Fidler, Euroratings Correspondent

EURORATINGS, the London-based agency attempting to establish itself as a leading European credit ratings service, said yesterday that Tanks Consolidated Investments, a subsidiary of Société Générale de Belgique, had taken a 45 per cent stake in the company.

for example, actively seeking a French shareholder, although it ruled out a possibility of a tie-up with IBCA Banking Analysis, the London-based bank rating agency which is moving into the more general ratings business.

Financial row flares in Seoul

By Maggie Ford in Seoul

THE ROW over control of financial policy in South Korea broadened yesterday following the decision of the Monetary Board, nominally in control of the financial base, to ask for a revision of its role.

US cash management demand slows

By Richard Waters

SALES OF cash management services by banks in the US grew by just 8 per cent last year, about half the rate of growth in each of the two previous years, according to management consultants Arthur Young.

The slowdown in this \$4.5bn market is even more acute in volume terms: 1 per cent growth in 1987 compared with more than 10 per cent in 1986 and 1985.

of the market, though there were clear leaders in particular product lines. Just five institutions, for instance, provided for over 90 per cent of the workstations.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.

Table with columns: ISDOLLAR, YEN STRAIGHTS, OTHER STRAIGHTS, CONVERTIBLE, and various bond details including Issued, Maturity, Offer, Bid, Ask, Yield, and Price.

Table with columns: STRAIGHTS MARK, CONVERTIBLE, and various bond details including Issued, Maturity, Offer, Bid, Ask, Yield, and Price.

Table with columns: STRAIGHTS MARK, CONVERTIBLE, and various bond details including Issued, Maturity, Offer, Bid, Ask, Yield, and Price.

* The Financial Times Ltd., 1988. Reproduction in whole or in part is prohibited without written consent. Data supplied by DATASTREAM International.

COWIE'S COWIE FINANCIAL HOLDINGS P.L.C. £210,000,000 Revolving 3 Year Syndicated Cash Advance/Acceptance Facility. Canadian Imperial Bank of Commerce. List of participating banks including Barclays Bank PLC, Bank of Ireland, First Bank National Association, etc.

Canon forecasts dramatic results. By Our Financial Staff. CANON, the Japanese camera and photocopier group, yesterday gave a preview of its first-half results and reported a dramatic surge in profits.

Canon is due to announce full results on August 13. The group said the stock market authorities had expressed concern over leaks and the possibility of insider trading following the company's starting recovery.

Canon forecast that its pre-tax profit for the whole of 1987 will be roughly double the 1987 total. It also stood a good chance of topping the 742.5m record posted in 1986.

Handwritten signature or initials at the bottom of the page.

UK COMPANY NEWS

Yale & Valor adds to door fittings

By Clare Pearson

YALE & VALOR, the locks and domestic appliances group at the centre of bid speculation, is boosting its door fittings side with the \$38.7m (£22.9m) acquisition of Illinois-based Rixson-Firemark.

ATLANTIC INGERSOLL-RAND, US industrial equipment company, holds nearly 3 per cent of the shares. Early last month, it was revealed that Williams Holdings, the acquisitive British conglomerate, had bought a 3.9 per cent stake.

Mr Tony Marson, finance director, said yesterday that the purchase had been conceived several months ago, before the takeover speculation blew up.

automobile parts and materials. Mr Sal Aldiro, chairman, said the sale was unrelated to that proposed \$90m deal.

GC&C and Distillers meet EC officials

By Lisa Wood

REPRESENTATIVES of both sides in the controversial hostile bid for Irish Distillers were meeting officials at the European Commission yesterday to discuss the Commission's dramatic intervention in the £198.6m (£167m) bid.

Trading and interest receipts feature in Capco midway surge

By Paul Cheeseright, Property Correspondent

CAPITAL AND COUNTRIES, the international property group with a significant portfolio of retail and office developments, yesterday announced interim profits at a level more than three times higher than last year.

profits surge came from trading and interest. Property trading profits rose to £3.5m (£698,000). The company has been rationalising its investment properties and has a 250m sales programme of trading properties. It intends to repeat this trading performance in the second half. This week it announced the sale of a shopping centre at Weston Favell, Northamptonshire, for £12m.

Capco, which is 68.6 per cent owned by Transatlantic Holdings, is controlled by Liberty Life of South Africa, is predicting "an increase in earnings for the year as a whole which will justify another worthwhile real addition to the annual rate of dividend."

Failed bid cost Thomas Robinson £3.46m

By Clare Pearson

THOMAS ROBINSON Group, engineering mini-conglomerate, lifted pre-tax profits by 50 per cent to £7.38m in the half year to end-June, but also revealed that it had incurred £3.46m costs for its unsuccessful bid for the John Crowther testile company.

expand distribution activities through acquisition, for which he said Crowther would have been an ideal vehicle. Robinson planned to sell Crowther's clothing companies as Coloroll has done.

Mr Rudd admitted proved difficult to dispose of, gave rise to a loss of £777,000. The sale of the theatre lighting business of WJ Furse, last year's biggest acquisition, produced a loss of £71,000.

open to him this year at least. Instead, investors will be wanting to know what kind of underlying growth the company, which made about ten acquisitions last year, is achieving. In that regard, these figures were, unlike those at the end-year, not helpful.

Fewer redundancies help MSC

By Ray Bashford

IN THE first half of 1988 the Manchester Ship Canal Company has shown a substantial increase in profits, from £388,000 to £1.3m, but only a large reduction in redundancy payments and the absence of accelerated depreciation provision made that possible.

of Highams, the Lancashire industrial textiles group. In the half year to June 30 turnover fell to £10.63m (£11.78m) and the operating profit to £980,000 (£1.1m), while property income declined to £714,000 (£1.03m).

Mr Rudd says he has not been put off making a stable bid for a public company, but judging by the reaction of the institutions to the Crowther move, the option is not going to be

THE number of substantial savings in labour and other costs, coupled with modern working practices, was essential if the port business was to stay sufficiently in profit.

Robert Douglas improves 27%

By Andrew Hill

SUBSTANTIAL PROGRESS was made by Robert M Douglas Holdings in the year ended March 31 1988, with turnover up 27 per cent to £182.26m and pre-tax profits ahead 35 per cent to £5m.

and specialist contracting, reinforced by the reorganisation and planned expansion of the past five years.

Shareholders share in the group's progress, their dividend being lifted by 43 per cent to 4.55p - the final is 2.55p. Earnings showed a 69 per cent advance to 27.1p (16.3p).

Mr Wooley said the engineering services had grown dramatically over recent years, mainly through acquisition. The new companies had added significantly to the range of services on offer and to the geographical coverage of the UK.

Arley in £9.4m buy and returns to the black

By Andrew Hill

Arley Holdings, the manufacturer and importer of photographic equipment, is to buy Cine Screens and Nasa Mike for a total of about £9.4m in cash and shares, thereby continuing its expansion programme under Mr John Ferguson, the chairman.

Huntingdon placing for £5m

By Andrew Hill

TO FINANCE its continuing expansion Huntingdon International Holdings is raising £5.1m through an institutional placing.

Mr John Douglas, chairman, said the results demonstrated the underlying strengths of the group, operating in construction, property, housing, construction equipment, materials

Mr Wooley said the engineering services had grown dramatically over recent years, mainly through acquisition. The new companies had added significantly to the range of services on offer and to the geographical coverage of the UK.

ICI Fibres in geotextile sale to Exxon

ICI Fibres is selling its Terram geotextiles business to Exxon Chemical (UK) for a consideration less than 0.5 per cent of ICI group net assets. The sale is part of ICI Fibres strategy of concentrating resources on its growing core businesses of nylon and speciality polyester.

Third Spanish buy for Armstrong Equipment

By Vanessa Houlder

ARMSTRONG EQUIPMENT, UK-based automotive, suspension and industrial fastenings group, has expanded further in Spain with the acquisition, announced yesterday, of Estampaciones Noroeste, an automotive components company.

Mowlem to sell Buehler stake

By Ray Bashford

JOHN MOWLEM, the international construction group, has found a buyer for its 76 per cent stake in Buehler Interiors and the US for \$48.6m (£28.9m) in a company partly controlled by members of the present management.

Jamesons lower

By Vanessa Houlder

JAMESONS Chocolates reports a drop from £170,000 to £95,000 in pre-tax profit for the first half of 1988, but is holding the interim dividend at 2p.

Herrburger falls 60% to £64,000

Herrburger Brooks, maker of piano actions, keys and hammers, reported pre-tax profit down 60 per cent from £160,528 to £54,226. It blamed the shortfall on the costs involved in the expansion into office furniture as well as pressure on margins in the piano division.

Fairway profits fall to £0.29m first half

By Vanessa Houlder

FAIRWAY (LONDON), the supplier of business and computer stationery to City institutions which came to the USM last November, announced lower pre-tax profits of £288,000 for the six months to June 30 against £358,000 previously.

Lincoln House reduces loss to £439,000 midway

By Vanessa Houlder

LINCOLN HOUSE, USM-quoted company created in May from the reconstruction of the ailing William Morris Fine Arts and the acquisition of Sherwood Furniture, reduced its pre-tax loss from £538,000 to £439,000 in the six months to June 30 1988. At the operating stage it made a profit of £45,000 compared with a loss of £276,000 in the same period of 1987.

COMPANY NEWS IN BRIEF

ARROWCROFT GROUP and Lynton Property & Reversionary have, in a joint venture, purchased a 70,000 sq ft shopping centre in Nunston for a sum of £2m.

Halifax Building Society

Floating Rate Loan Notes 1994 For the three month period from 9 August, 1988 to 9 November, 1988 the Notes will bear interest at the rate of 11.625 per cent per annum.

GLOBAL GROUP

GLOBAL GROUP has exchanged contracts to acquire Redlands Cold Storage for £1.15m cash. The acquisition will give Global its own cold storage facilities close in the M25.

MATTHEW HALL

MATTHEW HALL has paid £500,000 for a controlling 50.1 per cent interest in Minder Systems of New Zealand, and has an option to lift that to 77 per cent by the end of 1991.

IFC SECURITIES

IFC SECURITIES: Claythorne and Philip Darwin have reached agreement to subscribe £250,000 (£542,570) for a minority interest. Mr Philip Darwin, Mr Edward Hallinan, Mr John Heywood and Mr John Jones will join the board of IFC.

Jamesons lower

JAMESONS Chocolates reports a drop from £170,000 to £95,000 in pre-tax profit for the first half of 1988, but is holding the interim dividend at 2p.

McKay Securities up

By Andrew Hill

RESULTS FROM McKay Securities, property investor and developer, were well up to expectations in the year ended March 31 1988.

Wm Jackson ahead

By Andrew Hill

WILLIAM JACKSON & Son, Hull-based baker, meat product maker and food market operator, lifted pre-tax profits 45 per cent from £3.06m to £4.46m, for the year to April 23.

ChemEx rights

By Andrew Hill

CHEMEX International, yesterday announced a £1.1m rights issue to finance new moves into the US environmental services market. The issue involves 2.5m shares issued at 40p per share on a one for one basis.

Spong £79,000 in red six months

By Andrew Hill

Spong Holdings, which is being restructured, had net difficulties this year but had laid the foundations for the strong organic growth expected.

Jamesons lower

By Vanessa Houlder

JAMESONS Chocolates reports a drop from £170,000 to £95,000 in pre-tax profit for the first half of 1988, but is holding the interim dividend at 2p.

ENTERTAINMENT PRODUCTION SERVICES plc (Incorporated in England under the Companies Act 1948 to 1987 No. 13170501) Introduction By Jacobson Townsley & Co following the acquisition of International Media Communications PLC. Authorised £5,250,000 Share Capital Ordinary Shares of 5p each Issued and to be issued Fully paid £3,800,714. The principal business of the New Group includes the importation, sale, distribution and leasing of blank and pre-recorded video cassettes; and the development, marketing and distribution of a range of consumer electronic products.

Handwritten mark or signature at the bottom of the page.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Further surge by dollar

THE DOLLAR moved through DM1.90 in Europe around mid-afternoon, on news that the US Federal Reserve had increased its discount rate by 1/4 p.c. to 6 1/4 p.c.

The currency rose quickly to DM1.9150 from about DM1.8850, but the market appeared to balk at the prospect of attacking strong resistance at DM1.92, against the background of fear about central bank intervention.

Trading had been very quiet during the morning, with dealers taking the view that a further rise in the value of the dollar was likely, but finding no excuse to challenge the central bank.

This created a situation where the market took profits, and the US currency fell back in Tokyo and in early European trading. But at the same time dealers were looking for a reason to push the dollar through the DM1.90 barrier, and found it in the discount rate rise.

The timing of the rate increase seemed particularly surprising after the Federal Reserve and West German Bundesbank had made a determined attempt to push the dollar below DM1.90 on Monday. By the close of trading in Europe there was no sign of

further intervention by the central bank. In Frankfurt the Bundesbank did not intervene when the dollar was fixed at DM1.8850, compared with DM1.9100 on Monday.

It was the first change in the US discount rate for nearly a year, and was made for the same reason that the Bank of England forced a rise in UK bank base rates on Monday. Growth in the US and UK is among the strongest in the industrialised world, and the authorities in both countries are worried about overheating.

The Federal Reserve said the decision reflects its intent to reduce inflationary pressures. Recent US economic news, including last Friday's employment data, had raised expectations of tighter US monetary policy, but in general dealers were surprised that the Fed acted immediately before this week's Treasury refunding auctions. On the other hand, a

move immediately after the auctions would have left the US authorities open to criticism. The dollar closed at its highest level against the D-Mark since January 1987, rising to DM1.9150 from DM1.9020. It also climbed to Y24.70 from Y13.75, to SF1.6020 from SF1.5900, and to FF5.4575 from FF5.4125.

On Bank of England figures, the dollar's index rose to 100.2 from 99.6. Attention had tended to switch towards sterling, during the European morning, as the pound benefited from the rise in bank base rates. But in the afternoon sterling came under rather more downward pressure than most European currencies, from the surge in the value of the dollar. Speculative money attracted to London by the interest rate differential once again saw attractions in the dollar.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns for Country, Unit, Aug 9, % change, % change, and Discount rate. Includes Germany, France, Italy, Netherlands, Belgium, Luxembourg, Greece, Spain, Portugal, Ireland, United Kingdom, Denmark, Sweden, Finland, Austria, Switzerland, and ECU.

STERLING INDEX

Table with columns for Date, Index, and % change. Shows index values for 8.30 am, 9.00 am, 9.30 am, 10.00 am, 10.30 am, 11.00 am, 11.30 am, 12.00 pm, 12.30 pm, 1.00 pm, 1.30 pm, 2.00 pm, 2.30 pm, 3.00 pm, 3.30 pm, 4.00 pm.

CURRENCY RATES

Table with columns for Country, Rate, and % change. Lists rates for Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa, Switzerland, Taiwan, Thailand, and USA.

OTHER CURRENCIES

Table with columns for Country, Rate, and % change. Lists rates for Argentina, Australia, Brazil, Canada, Hong Kong, India, Indonesia, Korea, Malaysia, New Zealand, Singapore, South Africa, Taiwan, Thailand, and USA.

EXCHANGE CROSS RATES

Table with columns for Currency, Rate, and % change. Shows cross rates for DM, SF, FF, S, £, and ¥.

FT LONDON INTERBANK FIXING

Table with columns for Term, Rate, and Offer. Lists 3 months and 6 months US dollar rates.

MONEY RATES

Table with columns for Term, Rate, and % change. Lists Treasury Bills and Bonds rates for various terms.

LONDON MONEY RATES

Table with columns for Term, Rate, and % change. Lists overnight, 7 days, 1 month, 3 months, 6 months, and 12 months rates.

FINANCIAL FUTURES

Fed move may avoid censure

US TREASURY bond futures weakened on the news that the Federal Reserve had increased its discount rate.

There was some surprise at the timing of the move, ahead of yesterday's auction of three-year Treasury notes, and today's auction of ten-year paper. The move has removed

uncertainty in the market however, and is likely to be the last rise in the discount rate ahead of November's presidential election.

It is seen as clearing the decks, thus getting the bad news out of the way, and should increase confidence in the independence of the Federal Reserve and its determination to fight inflation. To this extent it may boost confidence in the US, and could even encourage bidding at this week's auctions.

Traders tended to dismiss suggestions that the rise in the discount rate was an indication that the next set of US trade figures will be bad.

COMMODITY FUTURES

Table with columns for Commodity, Price, and % change. Lists various commodity futures like oil, wheat, and sugar.

CHICAGO

Table with columns for Commodity, Price, and % change. Lists Chicago market data for various commodities.

SWISS FRANK INDEX

Table with columns for Date, Index, and % change. Shows Swiss franc index values.

EURO CURRENCY INTEREST RATES

Table with columns for Term, Rate, and % change. Lists interest rates for various Euro currency terms.

CURRENCY FUTURES

Table with columns for Term, Rate, and % change. Lists currency futures for various currencies.

EURO CURRENCY EXCHANGES

Table with columns for Term, Rate, and % change. Lists exchange rates for various Euro currencies.

STERLING 5 YEAR

Table with columns for Term, Rate, and % change. Lists sterling 5-year rates.

STERLING 10 YEAR

Table with columns for Term, Rate, and % change. Lists sterling 10-year rates.

STERLING 15 YEAR

Table with columns for Term, Rate, and % change. Lists sterling 15-year rates.

EUROPEAN OPTIONS EXCHANGE

Large table with columns for Series, Price, and % change. Lists various European options contracts.

TOTAL VOLUME IN CONTRACTS

A=Ask B=Bid C=Call P=Put

BASE LENDING RATES

Table with columns for Bank, Rate, and % change. Lists base lending rates for various banks.

MONEY MARKETS

Timing surprises

THERE WAS a further surprise for financial markets yesterday, as the US Federal Reserve increased its discount rate by 1/4 p.c. to 6 1/4 p.c. This followed the unexpected rise in UK bank base rates engineered by the Bank of England on Monday.

A discount rate rise has been widely forecast, but the Fed was not expected to act yesterday. Treasury bills rates rose in New York and interest rates

UK clearing bank base lending rate

11 per cent from August 8

moved higher in London

on the news from Washington. Three-month sterling interbank was 13 1/4 p.c. during the morning in London, but rose to 11 1/4-11 1/2 p.c. in the afternoon, compared with 11 1/4-11 p.c. on Monday.

The Bank of England forecast

a money market shortage of £250m, but revised this to £300m in the afternoon. Total help of £300m was provided. The authorities did not operate in the market during the morning, and in the afternoon bought £106m bank bills in band 1 at 10 1/4 p.c. The Bank of England also gave late assistance of around £120m.

outweighed Exchange transactions

adding £40m to liquidity, a fall in the note circulation adding £65m, and bank balances above target of £35m. In Frankfurt the Bundesbank left its securities repurchase agreement rate at 4.25 p.c., when offering liquidity to the market through a tender for a 28-day pact.

Dealers were mainly concerned at the size of allocation at the tender, which will be made known today. An expiring agreement drains DM1.6bn from the market today, and money is also leaving the banking system because of recent Bundesbank support for the D-Mark on the foreign exchanges.

The market is looking for the

central bank to add between DM20bn and DM25bn to liquidity at the tender. Dealers believe the Bundesbank may lean on the side of generosity with its allocation, to prevent banks using the Lombard emergency financing facility, currently at 5 p.c. Call money is hovering only just below this level, and a shortage of funds forced banks to draw DM200m in Lombard funds on Monday.

The rare so early in the

month. Under normal conditions banks would only resort to Lombard borrowing towards the end of the month, in order to meet minimum reserve requirements.

State Bank of India advertisement. Text: State Bank of India announces that its base rate is increased from 10.5% to 11% per annum with effect from August 9, 1988.

McKay Securities PLC advertisement. Text: PRELIMINARY ANNOUNCEMENT (ABRIDGED) Group Results for the Year Ending 31st March, 1988. Includes financial data and company information.

IS AN INVESTMENT PORTFOLIO COMPLETE WITHOUT FUTURES AND OPTIONS? Call 01-930 9209 or return the coupon for your Free Guide that explains how COMMODITY FUTURES & OPTIONS might play a role in your portfolio.

GRANVILLE SPONSORED SECURITIES advertisement. Table with columns for High/Low, Company, Price, Change, Gross div, Yield, and P/E. Lists various securities and their performance.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Tr Mgrs Ltd, Abbey Unit Tr Mgrs Ltd, and others with their respective details.

Table listing unit trusts including Anderson Drive Unit Tr Mgrs Ltd, Anderson Drive Unit Tr Mgrs Ltd, and others.

Table listing unit trusts including Brown Shipley & Co Ltd, Brown Shipley & Co Ltd, and others.

Table listing unit trusts including Equitable Unit Trusts, Equitable Unit Trusts, and others.

Table listing unit trusts including Balance Unit Trust Mgrs Ltd, Balance Unit Trust Mgrs Ltd, and others.

Table listing unit trusts including London & Manchester (The) Mgmt Ltd, London & Manchester (The) Mgmt Ltd, and others.

Table listing unit trusts including M&G British Unit Tr Mgrs Ltd, M&G British Unit Tr Mgrs Ltd, and others.

Table listing unit trusts including Royal London Unit Tr Mgrs Ltd, Royal London Unit Tr Mgrs Ltd, and others.

Table listing unit trusts including Royal London Unit Tr Mgrs Ltd, Royal London Unit Tr Mgrs Ltd, and others.

Table listing unit trusts including Abbey Unit Tr Mgrs Ltd, Abbey Unit Tr Mgrs Ltd, and others.

Table listing unit trusts including Anderson Drive Unit Tr Mgrs Ltd, Anderson Drive Unit Tr Mgrs Ltd, and others.

Table listing unit trusts including Brown Shipley & Co Ltd, Brown Shipley & Co Ltd, and others.

Table listing unit trusts including Equitable Unit Trusts, Equitable Unit Trusts, and others.

Table listing unit trusts including Balance Unit Trust Mgrs Ltd, Balance Unit Trust Mgrs Ltd, and others.

Table listing unit trusts including London & Manchester (The) Mgmt Ltd, London & Manchester (The) Mgmt Ltd, and others.

Table listing unit trusts including M&G British Unit Tr Mgrs Ltd, M&G British Unit Tr Mgrs Ltd, and others.

Table listing unit trusts including Royal London Unit Tr Mgrs Ltd, Royal London Unit Tr Mgrs Ltd, and others.

Table listing unit trusts including Royal London Unit Tr Mgrs Ltd, Royal London Unit Tr Mgrs Ltd, and others.

Table listing unit trusts including Abbey Unit Tr Mgrs Ltd, Abbey Unit Tr Mgrs Ltd, and others.

Table listing unit trusts including Anderson Drive Unit Tr Mgrs Ltd, Anderson Drive Unit Tr Mgrs Ltd, and others.

Table listing unit trusts including Brown Shipley & Co Ltd, Brown Shipley & Co Ltd, and others.

Table listing unit trusts including Equitable Unit Trusts, Equitable Unit Trusts, and others.

Table listing unit trusts including Balance Unit Trust Mgrs Ltd, Balance Unit Trust Mgrs Ltd, and others.

Table listing unit trusts including London & Manchester (The) Mgmt Ltd, London & Manchester (The) Mgmt Ltd, and others.

Table listing unit trusts including M&G British Unit Tr Mgrs Ltd, M&G British Unit Tr Mgrs Ltd, and others.

Table listing unit trusts including Royal London Unit Tr Mgrs Ltd, Royal London Unit Tr Mgrs Ltd, and others.

Table listing unit trusts including Royal London Unit Tr Mgrs Ltd, Royal London Unit Tr Mgrs Ltd, and others.

Table listing unit trusts including Abbey Unit Tr Mgrs Ltd, Abbey Unit Tr Mgrs Ltd, and others.

Table listing unit trusts including Anderson Drive Unit Tr Mgrs Ltd, Anderson Drive Unit Tr Mgrs Ltd, and others.

Table listing unit trusts including Brown Shipley & Co Ltd, Brown Shipley & Co Ltd, and others.

Table listing unit trusts including Equitable Unit Trusts, Equitable Unit Trusts, and others.

Table listing unit trusts including Balance Unit Trust Mgrs Ltd, Balance Unit Trust Mgrs Ltd, and others.

Table listing unit trusts including London & Manchester (The) Mgmt Ltd, London & Manchester (The) Mgmt Ltd, and others.

Table listing unit trusts including M&G British Unit Tr Mgrs Ltd, M&G British Unit Tr Mgrs Ltd, and others.

Table listing unit trusts including Royal London Unit Tr Mgrs Ltd, Royal London Unit Tr Mgrs Ltd, and others.

Table listing unit trusts including Royal London Unit Tr Mgrs Ltd, Royal London Unit Tr Mgrs Ltd, and others.

Table listing unit trusts including Abbey Unit Tr Mgrs Ltd, Abbey Unit Tr Mgrs Ltd, and others.

Table listing unit trusts including Anderson Drive Unit Tr Mgrs Ltd, Anderson Drive Unit Tr Mgrs Ltd, and others.

Table listing unit trusts including Brown Shipley & Co Ltd, Brown Shipley & Co Ltd, and others.

Table listing unit trusts including Equitable Unit Trusts, Equitable Unit Trusts, and others.

Table listing unit trusts including Balance Unit Trust Mgrs Ltd, Balance Unit Trust Mgrs Ltd, and others.

Table listing unit trusts including London & Manchester (The) Mgmt Ltd, London & Manchester (The) Mgmt Ltd, and others.

Table listing unit trusts including M&G British Unit Tr Mgrs Ltd, M&G British Unit Tr Mgrs Ltd, and others.

Table listing unit trusts including Royal London Unit Tr Mgrs Ltd, Royal London Unit Tr Mgrs Ltd, and others.

Table listing unit trusts including Royal London Unit Tr Mgrs Ltd, Royal London Unit Tr Mgrs Ltd, and others.

I.G. INDEX LTD, 9-11 GROSVENOR GARDENS, LONDON SW1W 0DB. Aug. 1492/1501 -10, Aug. 1851/1861 -11, Aug. 2072/2084 -22, Sep. 1493/1502 -11, Sep. 1852/1862 -11, Sep. 2079/2091 -21.

JOTTER PAD section with a grid for notes and a crossword puzzle.

CROSSWORD

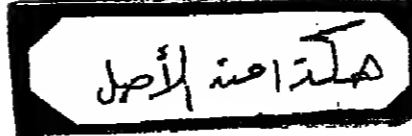
Crossword puzzle grid with numbers 1 through 28 indicating starting positions for clues.

ACROSS 1 Do its sufferers find their stairs too tricky (14), 10 Cheers for Mr Otis's inventions (5), 11 Some have this thrust upon them in the sergeants' mess (9), 12 They help us see around Antres... (7), 13... or see around Carlisle, for example (7), 14 Skip the sauce (5), 16 By the way, they indicate our limits (4,5), 19 The right amount? (9), 20 This poet slaved endlessly in retirement (5), 22 Wellington, for example, got oaks to come back (7), 25 Cross-beam, sort of square, takes a huge amount of money (7), 27 Mollish beast? Not I, it turns out (9), 28 Instrument to exclude little woman (5), 29 Unsettling? (14), 30 Security device for Peter workin' in office (6,3), 31 Where to eat in W. Germany (5), 32 Bracket without Hinge, say (5-4), 33 March trade upst (5), 34 Turned up like tailored English trousers (9).

Main table of unit trust information listing various trusts, their managers, and current prices.

GUIDE TO UNIT TRUST PRICING. The data included under the Authorised section of the FT Unit Trust Information Service is prepared to improve the service to readers and to conform with new legislation. INITIAL CHARGES: The initial marketing, administrative and other costs which have to be paid by new investors. These charges are included in the price when the customer buys units. UNIT PRICE: The price at which units may be bought. CANCELLATION PRICE: The price at which units may be sold. FORWARD PRICING: The price at which units are set on a forward basis so that investors can be given a definite price in advance of the purchase or sale being carried out.

Handwritten signature or mark at the bottom of the page.



FT UNIT TRUST INFORMATION SERVICE

Main table containing financial data for various unit trusts, including columns for Name, Price, Yield, and other metrics. The table is organized into sections such as 'INSURANCES' and 'OTHER UK UNIT TRUSTS'.

INSURANCES

OTHER UK UNIT TRUSTS

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

Main table containing unit trust information with columns for Name, Price, Yield, and other financial metrics. The table is organized into several sections: UK LISTED, MANAGEMENT SERVICES, OFFSHORE AND OVERSEAS, and OFFSHORE INSURANCES.

Handwritten signature or note at the bottom center of the page.

FT UNIT TRUST INFORMATION SERVICE

Table of FT Unit Trust Information Service, listing various unit trusts with columns for Name, NAV, and % Change.

LONDON SHARE SERVICE

Table of London Share Service, including sections for British Funds, Foreign Bonds & Rails, and Americans.

Table of Money Market Trust Funds, listing various trust funds with columns for Name, NAV, and % Change.

LONDON SHARE SERVICE

AMERICANS - Contd

Table listing American stocks with columns for Stock, Price, and % Change.

CANADIANS

Table listing Canadian stocks with columns for Stock, Price, and % Change.

BANKS, HP & LEASING

Table listing bank, hardware, and leasing stocks with columns for Stock, Price, and % Change.

BEERS, WINES & SPIRITS

Table listing beer, wine, and spirit stocks with columns for Stock, Price, and % Change.

BUILDING, TIMBER, ROADS

Table listing building, timber, and road stocks with columns for Stock, Price, and % Change.

BUILDING, TIMBER, ROADS

Table listing building, timber, and road stocks with columns for Stock, Price, and % Change.

CHEMICALS, PLASTICS

Table listing chemical and plastic stocks with columns for Stock, Price, and % Change.

DRAPERY AND STORES

Table listing drapery and store stocks with columns for Stock, Price, and % Change.

BUILDING, TIMBER, ROADS

Table listing building, timber, and road stocks with columns for Stock, Price, and % Change.

ELECTRICALS

Table listing electrical stocks with columns for Stock, Price, and % Change.

ENGINEERING - Contd

Table listing engineering stocks with columns for Stock, Price, and % Change.

ENGINEERING

Table listing engineering stocks with columns for Stock, Price, and % Change.

ENGINEERING - Contd

Table listing engineering stocks with columns for Stock, Price, and % Change.

ENGINEERING - Contd

Table listing engineering stocks with columns for Stock, Price, and % Change.

ENGINEERING

Table listing engineering stocks with columns for Stock, Price, and % Change.

ENGINEERING - Contd

Table listing engineering stocks with columns for Stock, Price, and % Change.

ENGINEERING - Contd

Table listing engineering stocks with columns for Stock, Price, and % Change.

ENGINEERING

Table listing engineering stocks with columns for Stock, Price, and % Change.

INDUSTRIALS (Misc.) - Contd

Table listing industrial stocks with columns for Stock, Price, and % Change.

INDUSTRIALS (Misc.) - Contd

Table listing industrial stocks with columns for Stock, Price, and % Change.

INDUSTRIALS (Misc.)

Table listing industrial stocks with columns for Stock, Price, and % Change.

INDUSTRIALS (Misc.) - Contd

Table listing industrial stocks with columns for Stock, Price, and % Change.

INDUSTRIALS (Misc.) - Contd

Table listing industrial stocks with columns for Stock, Price, and % Change.

INDUSTRIALS (Misc.)

Table listing industrial stocks with columns for Stock, Price, and % Change.

INSURANCES

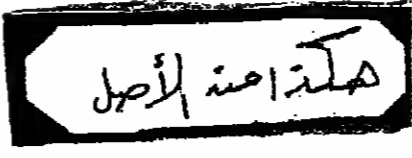
Table listing insurance stocks with columns for Stock, Price, and % Change.

LEISURE

Table listing leisure stocks with columns for Stock, Price, and % Change.

Handwritten signature or mark at the bottom center of the page.

LONDON SHARE SERVICE



LEISURE - Contd. Table listing various leisure companies and their share prices.

PAPER, PRINTING, ADVERTISING - Contd. Table listing companies in the paper, printing, and advertising sectors.

TEXTILES - Contd. Table listing textile companies and their share prices.

TRUSTS, FINANCE, LAND - Contd. Table listing trusts, finance, and land-related companies.

OIL AND GAS - Contd. Table listing oil and gas companies.

MINES - Contd. Table listing mining companies.

MOTORS, AIRCRAFT TRADES. Table listing motor and aircraft trade companies.

PROPERTY. Table listing property-related companies.

TOBACCO. Table listing tobacco companies.

TRUSTS, FINANCE, LAND. Table listing trusts, finance, and land companies.

OVERSEAS TRADERS. Table listing overseas traders.

MISCELLANEOUS. Table listing miscellaneous companies.

Commercial Vehicles. Table listing commercial vehicle companies.

Components. Table listing component companies.

Investment Trusts. Table listing investment trusts.

Finance, Land, etc. Table listing finance, land, and other companies.

PLANTATIONS. Table listing plantation companies.

THIRD MARKET. Table listing third market companies.

Garages and Distributors. Table listing garage and distributor companies.

Components. Table listing component companies.

Investment Trusts. Table listing investment trusts.

Finance, Land, etc. Table listing finance, land, and other companies.

MINES. Table listing mining companies.

NOTES. Table listing notes and financial information.

NEWSPAPERS, PUBLISHERS. Table listing newspaper and publisher companies.

SHIPPING. Table listing shipping companies.

SHEDS AND LEATHER. Table listing sheds and leather companies.

SOUTH AFRICANS. Table listing South African companies.

Far West Rand. Table listing Far West Rand companies.

Central African. Table listing Central African companies.

PAPER, PRINTING, ADVERTISING. Table listing paper, printing, and advertising companies.

TEXTILES. Table listing textile companies.

SHIPPING. Table listing shipping companies.

OIL AND GAS. Table listing oil and gas companies.

Central African. Table listing Central African companies.

Regional & Irish Stocks. Table listing regional and Irish stocks.

PROPERTY. Table listing property-related companies.

SHIPPING. Table listing shipping companies.

TEXTILES. Table listing textile companies.

OIL AND GAS. Table listing oil and gas companies.

Far West Rand. Table listing Far West Rand companies.

Traditional Options. Table listing traditional options and their rates.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Tuesday August 9 1988, Index No., Day's Change, etc. Lists various industry sectors like CAPITAL GOODS, BUILDING MATERIALS, etc.

FIXED INTEREST

Table with columns: PRICE INDICES, Average Gross Redemption Yields, etc. Lists yields for various fixed interest instruments.

RISES AND FALLS YESTERDAY

Table showing Rises and Falls Yesterday for various categories like British Funds, Corporations, etc.

LONDON RECENT ISSUES

Table listing EQUITIES and FIXED INTEREST STOCKS with columns for Issue, Amount, Date, etc.

RIGHTS OFFERS

Table listing RIGHTS OFFERS with columns for Issue, Amount, Date, etc.

TRADITIONAL OPTIONS

Table listing TRADITIONAL OPTIONS with columns for Issue, Amount, Date, etc.

LONDON TRADED OPTIONS

Large table listing LONDON TRADED OPTIONS with columns for Option, Calls, Puts, etc. Includes various option contracts and their prices.

THE COUNTRY

Brunei Darussalam is in North West Borneo and borders onto Sarawak. It has a population of around 226,500. Malays make up around 155,500, the Chinese 41,500 and indigenous peoples some 11,500.

The Sultanate of Brunei Darussalam is a Malay Muslim monarchy which rose to prominence during the 14th to the 16th Centuries.

Today, Brunei has a cabinet style government, made up of eleven ministries headed by His Majesty, The Sultan and Yang Di-Pertuan as Prime Minister.



MANAGING ITS ECONOMY

The Government believes in sound monetary and fiscal policies based on a secure balance of trade and substantial foreign exchange reserves and investments. It has a balanced budget and no national debt.

The Brunei Investment Agency manages one of the world's largest investment portfolios with holdings in several major economies.

NATIONAL DEVELOPMENT PLAN

Brunei's national development plan covers the period 1986-1990 and aims to diversify the economy with planned total expenditure of B\$16.2 billion.

WHAT YOU SHOULD KNOW ABOUT BRUNEI DARUSSALAM

INTERNATIONAL STATUS

Brunei Darussalam resumed its full independence in 1984. Soon afterwards it joined the Association of South East Asian Nations-ASEAN.

The Sultanate remains a member of the Commonwealth and values highly its links with the United Kingdom and other Commonwealth members.

Today, the Sultanate is a member of the United Nations, The Organisation of Islamic Conference and many other international bodies.

ACHIEVEMENTS SINCE INDEPENDENCE

Following resumption of full independence in 1984, Brunei's record of achievements encompasses impressive economic development, sustained social progress and a major effort to diversify the country's economy away from over dependence on oil and gas.

Brunei's economy has one of the highest per capita incomes in the world. The government is determined to ensure that the country enjoys a well balanced development.

places emphasis on building up industry in non-energy sectors, fostering private enterprise and developing job skills among the local workforce.

For a copy of 'Brunei Darussalam - In Profile', due to be published in October, please complete and post the coupon below to The High Commission of Negara Brunei Darussalam, 49, Cromwell Road, London, SW7 2ED.

Form with fields for NAME, COMPANY, POSITION, ADDRESS, and a checkbox for 'PLEASE PRINT'.

Handwritten text at the bottom of the page, possibly a signature or note.

LONDON STOCK EXCHANGE

Equities turn down on US rate move

THE UK securities markets suffered a further surprise yesterday when the US Federal Reserve delivered its contribution to the global interest rate story by raising its discount rate half a point to 6 1/2 per cent.

Equities, rightly sensing that Wall Street would open lower, turned downwards as lines of international blue chips came on offer. British Government bonds ended with small losses, with traders keeping a close eye on US Federal bond prices.

the Federal Reserve's move might have been prompted by this week's auctions of Federal stock, seeing a parallel with Monday's hike in UK base rates.

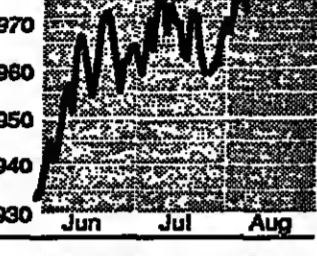
However, the nervous reaction to the US discount rate change did not check selective interest in the UK market's batch of special situations.

interest focused on the Gilts Futures contract traded on the London International Financial Futures Exchange and on the US long-dated Federal bond.

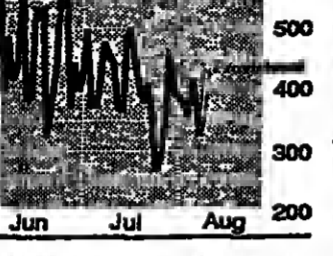
Diverse views on M and S

Marked differences of opinion between City analysts about trading prospects at Marks and Spencer (M&S) was a major feature in the market. As turnover reached 8.2m shares, M&S dropped 5 to 170p after Hoare Govett left a morning meeting with the company in a less than bullish mood.

FT-A All-Share Index



SEAG Shares traded



castle dipped 5 to 332p as investors took profits after Elders DK1 confirmed that it had increased its stake to 3.38 per cent.

described the move as bullish, GUS "A" eased 6 to 189p.

KIO boosts BP

Both classes of BP shares moved higher after the "legally binding" undertakings by the Kuwait Investment Office (KIO) not to increase its near 22 per cent stake, to limit its voting power to 14.8 per cent and not to block any board changes.

Pillingington erratic

The move by the Office of Fair Trading (OFT) to investigate price-fixing cartels in the glass industry prompted a sharp fall in the shares of Pillingington in early trading.

Pleasurama busy

The honours in the Leisure sector were again taken by Pleasurama as the market began to feel that the board could succeed at this Friday's meeting in persuading shareholders to approve the Hard Rock acquisition.

Smith and Nephew, scheduled to reveal interim figures tomorrow, were a relatively active market (some 2.2m shares changed hands) and closed 4 1/2 cheaper at 122p.

At least one marketmaker thought the rumours were the product of "wishful thinking" on the part of some dealers, given that no one knows yet if General Cinema had sold part or all of its stake.

Managing director of Bovis International

Mr Gene McGovern, co-founder of the US construction management company Lehrner McGovern Bovis Inc., has been appointed managing director of BOVIS INTERNATIONAL.



Mr Gene McGovern is co-founder of the US construction management company Lehrner McGovern Bovis Inc.

APPOINTMENTS

Mr Robert B. Black, general manager of COMBINED CAPITAL, has been appointed an executive director.

Sears Securities plc advertisement featuring a large logo, financial figures (£290,000,000), and a list of participating banks and financial institutions.

FINANCIAL TIMES STOCK INDICES

Table of stock indices including Government Securities, Fixed Interest, Ordinary, and Gold Mines, with columns for dates and values.

TRADING VOLUME IN MAJOR STOCKS

Table showing trading volume for various major stocks, including shares traded, value, and price changes.

S.E. ACTIVITY table showing indices for S&P 500, Nikkei, and other international indices.

Handwritten note in a box: "Handwritten text in a box at the top center of the page, possibly a date or reference number." The text is "Handwritten text in a box at the top center of the page, possibly a date or reference number."

WORLD STOCK MARKETS

Table of World Stock Markets including sections for Australia, Canada, Germany, Italy, Japan, Korea, and Singapore. Each section lists various stock indices and their values.

Table of World Stock Markets including sections for Australia, Canada, Germany, Italy, Japan, Korea, and Singapore. Each section lists various stock indices and their values.

Table of World Stock Markets including sections for Australia, Canada, Germany, Italy, Japan, Korea, and Singapore. Each section lists various stock indices and their values.

Table of World Stock Markets including sections for Australia, Canada, Germany, Italy, Japan, Korea, and Singapore. Each section lists various stock indices and their values.

Table of World Stock Markets including sections for Australia, Canada, Germany, Italy, Japan, Korea, and Singapore. Each section lists various stock indices and their values.

Advertisement for 'Travelling on Business' featuring the Financial Times logo and contact information for Hotel Cravat, Holiday Inn, Intercontinental Hotel, and Hotel President.

Advertisement for 'Travelling on Business in Italy?' featuring the Financial Times logo and contact information for Diana Majestic, Duca di Milano, Hotel Excelsior Gallia, Hilton Hotel, Hotel Michelangelo, Hotel Palace, and Hotel Principe di Savoia.

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Main table containing stock prices, organized into columns for different sectors and individual stock listings with their respective prices and changes.

Continued on Page 37

Handwritten note at the bottom center of the page.

Handwritten text at the top of the page.

NYSE COMPOSITE PRICES

AMEX COMPOSITE PRICES

Table of NYSE Composite Prices listing various stocks with columns for stock name, price, and change.

Table of AMEX Composite Prices listing various stocks with columns for stock name, price, and change.

OVER-THE-COUNTER

Table of Over-the-Counter prices listing various stocks with columns for stock name, price, and change.

Advertisement for Athens (01) 7237167, featuring the text 'Have your F.T. hand delivered every working day, if you work in the business centre of ATHENS'.

Advertisement for Paris (01) 42 97 06 23, featuring the text 'Have your F.T. hand delivered every morning in France'.

Advertisement for Geneva (022) 311604, featuring the text 'Have your F.T. hand delivered every morning in Switzerland'.

Advertisement for 12 FREE ISSUES, featuring the text 'When you take out your first subscription to the F.T., we'll send you 12 issues free'.

Advertisement for 12 FREE ISSUES, featuring the text 'When you take out your first subscription to the F.T., we'll send you 12 issues free'.

